# MeNATIONAL UNDERWRITER

Is the Insurance Agent really "a Good Man to Know"?



# PEOPLE KNOW THE INSURANCE AGENT!

But do People Know Why the Insurance Agent is a Good Man to Know?

Of course, the insurance agent is "a good man to know"! But—do people know you're a good man to know?

The answer is "Sure—everybody knows me. I see to it that they do!" . . But maybe they know you primarily as a good individual, as a good citizen, as a civic leader, as president of your service club, as a valuable man who would do well at anything.

Shouldn't they know you as the local insurance agent? The indispensable representative of safety and protection, the man whose knowledge and foresight is essential to the well-being of your community? The man who represents the honored and time-tried system of protecting people from disaster which we call "security, American-style"?

People may know the agent very well as an individual but they need to know more about him as an insurance agent!

They need to be told what the agent does to make him "a good man to know".



### Ohio Farmers Insurance Company

Chartered 1848 . . Le Roy. Ohio

OHIO FARMERS INDEMNITY COMPANY



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

THURSDAY, NOVEMBER 2, 1950



Establishment of these Service Offices demonstrates North America's support of the American Agency System, which has continued since North America appointed its first Agent in 1807.



Insurance Company of North America, founded 1792 in Independence Hall, is the oldest American stock fire and marine insurance company. It heads the "North America" companies which meet the public demand for practically all types of Fire, Marine and Casualty insurance, Fidelity and Surety Bonds. Sold only through Agents or Brokers.

Insurance Company of North America Indemnity Insurance Company of North America Philadelphia Fire and Marine Insurance Company



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# **Eichhorn Chosen** as President at **Ohio Agents Meet**

Columbus Sessions Largest Ever With 686 Enrolled; O'Connell Named V.-P.

By JAMES C. O'CONNOR

COLUMBUS - Registration records fell with a bang as Ohio Assn. of Insurance Agents enrolled 686 at its annual meeting here Monday and Tuesday and elected C. H. Eichhorn, Columbus, president succeeding Harold S. Bowen, Norwalk. Arthur M. O'Connell, Cin-



innati, moved into the vice-presidential slot and Carl A. Gluck, Youngstown, was reelected state national director.

New trustees are D. C. Black, Columus; J. H. Wood, Genoa, and M. E. McGowan, Steubenville. Holdover trustees are T. W. Earls, Cincinnati; Henry Frankel, Cleveland; W. H. French, Zanesville; E. R. Hunsicker, Akron; Makley, Dayton, and R. R. r. Lima. H. R. Rorick, Lorain, chryer, Lima. s a trustee at large, subject to reelection by the board. It is taken for granted that the popular T. M. Gray will be retained as executive secretary by the

#### Nothing Definite in Resolutions

Legislation and the consequences to surance of socialistic trends dominated the program and the thinking of the large turnout, which jammed every session beyond expectations. There was nothing definite in the resolutions. The Ohio agents simply asked the state temporary disability commission to consider the way private enterprise has served the public without increasing the tax burden and warned advocates of monopolistic automobile compensation to consider the consequences—but the session on legislative trends drew the largest crowd and the most animated

#### Wait and See Attitude

Sentiment was overwhelmingly for a wait and see" attitude on disability benefits laws, with a strong possibility that the agents will oppose them entirely if such a course appears feasible. An automobile accident compensation fund will, of course, be fought to the hilt. The association also took a cautious attitude on multiple line legislation, with Mr. Gray strongly advocating a careful study of the effects of such changes on icensing and other phases of an agent's business. Since Ohio is the most imortant state without multiple line leg-

(CONTINUED ON PAGE 44)

### Zone 2 Rejects Interstate Compact and Central Sifting of Rate Filings

Commissioners zone 2 don't agree with the idea of having rating plans pro-posed for the several states processed before filing by a committee of the asso-

In a two-day session here, the zone group went on record against a resolufrom the first of record against a resolu-tion calling for a study to determine the feasibility of such a procedure. The resolution, previously approved by com-missioners of zone 1, was presented here by Commissioner Harrington of Massachusetts, who argued strongly in its

After discussing the resolution, Zone voted against it, however. The Zone 2 commissioners also put themselves on record against the idea of an interstate compact and voted to transmit their sentiments to N.A.I.C. when it meets.

The resolution supported by Mr. Har-rington reads: "Resolved: That the rates and rating committee of N.A.I.C. rington reads: or other appropriate committee, be auor other appropriate committee, be authorized and directed to make a study of the advisability and practicability of all rating plans proposed for filing with the several states being first processed through a committee of the association with an efficient staff, and develop methods of financing the same."

#### Ask More I.M. Regulation

The commissioners also decided to The commissioners also decided to transmit to N.A.I.C. a resolution on inland marine risks recommended by rate supervisors of the Zone 2, which includes District of Columbia and Delaware, Maryland, North Carolina, Ohio, Pennsylvania, South Carolina, Virginia and West Virginia.

The inland marine resolution states:

The inland marine resolution states: "Be it resolved that representatives of all segments of the inland marine business including representation of both the Inland Marine Insurance Bureau and Transportation Insurance Rating Bureau be requested to meet as a committee to determine and agree upon the classes of inland marine risks which by general custom of the business are written according to manual rates and rating

"Further, be it resolved that the inland marine rating organizations narrow

SOUTHERN PINES, N. C.—Com- the area of non-controlled inland marine missioners of National Assn. of Insur- classes and prepare and submit rate filings for those classes which are sus-ceptible to manual rates or rating plans."

The resolution was developed by a sub-committee composed of Arthur C. Muhly of Maryland and J. E. McDavid of South Carolina after a study directed last April at a meeting of Zone 2 rate supervisors at Wilmington, Del.

Discussed during the conference here were a wide range of subjects, including methods for determining rate deviations granted fire and casualty companies, granted multiple line underwriting, expense allo-cations, fire and windstorm deductibles, the multiple location rating plan and hospitalization insurance.

#### Plans for Malpractice

William J. Heinrich, assistant secre-tary of the National Bureau of Casualty Underwriters, told the rate supervisors that his bureau in the near future would take over malpractice liability rate-making for the various medical liability

coverages, thus consolidating experiences for rate-making purposes.

Problems of multiple line underwriting were discussed by J. Ross Moore of National Automobile Underwriters Assn. Ambrose Kelly of Factory Mutted Retins Research Mutual Rating Bureau gave a dexplanation of fire legal liability. a detailed

Zone 2 commissioners attending in-cluded Cheek of North Carolina, Bowles of Virginia, Robinson of Ohio, Crichton of West Virginia, Murphy of South Carolina, Swain of Delaware, Leslie of Pennsylvania, and Deputy Commissioner Joyce of Maryland. Rate supervisors and other staff members present swelled total registration to 86.

Meetings were held at Highland Park

Inn, and the session closed with a din-ner at which Laurence F. Lee of Raleigh, president of Occidental Life, was master of ceremonies. Clifton Beckwith, member of the attorney general's staff, was the main speaker, and Com-missioner Cheek of North Carolina was host.

R. Frank Adkins, casualty actuary for the N.C. Department, had charge of arrangements for the meeting. The committee assisting him was composed of J.

(CONTINUED ON PAGE 22)



AT OHIO AGENTS ASSOCIATION CONVENTION: Theodore Safford, Cincinnati; West Shell, Cincinnati; Becky Kindred, association headquarters; Richard Shell, Cincinnati, and A. C. Thomas, Columbus.

# Fate of Several Commissioners Is in Balance Tuesday

**Election Results Will Affect** Composition of N.A.I.C.— Eye N. Y., Conn., Cal.

Several changes in the ranks of insurance commissioners may eventuate from the elections next Tuesday. If so, that will mean that there will be a number of lame duck commissioners in office for the next several months and that would tend to make the December meeting of N.A.I.C. at Los Angeles a somewhat listless affair.

On the other hand, the elections might

prolong the official life of some of the commissioners and give them courage and incentive to take a positive interest in the proceedings at Los Angeles.

There are seven states in which the

There are seven states in which the insurance commissioner is being elected next Tuesday, but in only two of these—Delaware and Nevada—does it appear that there is any contest.

In the latter state there is quite a heated movement, especially on the part of many insurance people, to unseat the incumbent, who is Jerry Donovan, a Democrat. His opponent is Peter Merialdo, who is a local insurance agent at Eureka. He was introduced at the recent annual meeting of Nevada Assn. of Insurance Agents and was given an en-Insurance Agents and was given an enthusiastic reception.

thusiastic reception.

In Delaware, the race is between William E. Ferguson, who is a local insurance agent at Bridgeville and William R. Murphy, Republican of Milford. William J. Swaim, the incumbent commissioner in Delaware, was not nominated by his party to make the race at this time.

#### Cravey Unopposed in Georgia

In Georgia, Zack D. Cravey, the incumbent and the Democratic nominee, is unopposed, the GOP not even making a token bid here. It is taken for granted that Frank Sullivan, the incumbent, who is a Republican and is vice-president of NAIC, will be elected in Kanses. His is a Republican and is vice-president of N.A.I.C., will be elected in Kansas. His adversary is L. R. Crane, who represents John Hancock Mutual Life at Walda Cheek, the incumbent sents John Hancock Mutual Life at Wichita. Waldo Cheek, the incumbent and a Democrat, has it in the bag in North Carolina, and the Republicans there, too, have no candidate. He is coming to the fore and exerting much leadership in the association and those who have the affairs of state supervision at heart hope that he will decide to constitute the state of the state at heart hope that he will decide to con-

In North Dakota, A. J. Jensen, who won the Republican nomination under the non-partisan league banner, in a spirited contest, is expected to put away his Democratic opponent in a routine

#### Dickey Expected to Remain

In Oklahoma, Donald F. Dickey, the incumbent and a Democrat, who won renomination against a field of six or seven contenders, but had to go into a run-off ballot to do it, will, of course, take the measure of his Republican ad-

In Mississippi the insurance commissioner is elected, but the race is a year off. Jesse L. White, the incumbent, has not announced whether he intends to not announced whether he intends to go for reelection but the commissioner bee is said to be in the bonnets of half a dozen Mississippians and if Mr. White should decide not to enter the contest, then there would undoubtedly be an in-teresting scramble. One of those that is

(CONTINUED ON PAGE 14)

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# Mutual Insurers' **Boston Meeting Is** Multi-Ring Circus

Simultaneous Sessions of Many Organizations Get Much Work Done

By KENNETH O. FORCE

BOSTON-The big tent show of the mutual insurers of the country attracted a record 1,200 registration here this week. The major organizations that conducted their conventions, most of them simultaneously, were the National of Mutual Fire Companies, American Mutual Alliance, National Assn. of Automotive Mutual Companies, National Assn. of Mutual Casualty Companies, Mutual Casualty Conference, and Mu-tual Advertising Sales Conference, the latter two organizations within the frame of National Assn. of Mutual Companies.

A meeting of this kind is in the nature of a circus, with many rings operating at the same time, straining the eye of the general spectator, but getting done a great variety of business and having a majority appeal for the diverse types of mutual insurer operation. There was much shuttling from gathering to gathering

New Officers of Two Groups

New officers of National Assn. of Mutual Insurance Companies are: President, John R. Kitch, president Security Mutual Casualty; vice-president, H. J. Hagge, president Employers Mutual of Hagge, president Employers Mutual of Wausau; directors, S. Bruce Black, president Liberty Mutual; C. N. Brown, president Merchants Mutual Casualty, Buffalo; Walter E. Otto, president Michigan Mutual Liability; H. G. Kemper, president Lumbermen's Mutual Casualty. E. A. Guest, Exchange Mutual Indemnity, Buffalo, retiring president, replaces Mr. Hagge on the directorate.

National Assn. of Automotive Mutual National Assn. of Automotive Mutual Insurance Companies elected I. G. Saltmarsh, president Indiana Lumbermen's Mutual, president, and John L. Train, president Utica Mutual, vice-president. Directors are C. W. Brown, president Merchants Mutual Casualty, Buffalo; R. J. Mills, president Iowa Mutual Liability; S. Bruce Black, president Liberty Mutual, and G. A. McKinley, executive vice-president Millers Mutual Fire, Ill.

#### No Critical Problems

The one general impression was that the insurers are doing pretty well and although there are many problems none is critical. No single issue dominated is critical. No single issue dominated any section, let alone the entire convention. A number of outsiders were featured on the programs. It was a time for fraternizing and calm deliberation. There was a lot of visiting of historic New England spots. Many representatives of the reinsurers were on hand.

#### Farm Windstorm Catastrophe Plan

A plan to provide farm windstorm catastrophe protection for the companies specializing in this field was broached at the farm windstorm conference where Horace Powers of Michigan Mutual Windstorm was chairman.

The plan, which grew out of deliberations of a special committee headed by R. M. Stanton, Cooperative Windstorm of Albany, N. Y., contemplates a trust account to help insurers when experience goes over a four-mill average loss in any one year. Insurers that have written windstorm 10 years in area of at

(CONTINUED ON PAGE 47)



Head table at past presidents dinner at Ohio agents convention honoring J. F. Van

Vechten of Akron, new N.A.I.A. vice-president:

John C. Stott, Norwich, N. Y., past president N.A.I.A.; Walter A. Robinson, superintendent of insurance; Carl A. Gluck, Youngstown, past president Ohio association;
Mr. Van Vechten; Charles H. Eichhorn, Columbus, new Ohio president, and Paul R. Gingher, Columbus, general counsel Ohio association.

#### Stresses Economic Missouri Agents' Program Announced Growth of South

The program for the annual meeting Assn. of Mutual Companies, Federation of Missouri Assn. of Insurance Agents of Mutual Fire Companies, American at Excelsior Spring Nov. 26-28 has been announced by George Oppenheimer of Kansas City, president, and Bennett G. Gregory of St. Louis, executive sec-

A golf tournament will be held Sun-day, Nov. 26 and that evening the ex-

day, Nov. 25 and that evening the ex-ecutive committee will meet. Monday, Nov 27, there is to be an early bird breakfast for agents in rural territories, with James Corrigan of Pop-lar Bluff as chairman.

At the first general session William Griffey, president Excelsior Springs Assn. of Insurance Agents, will give an address of welcome, with response by President Oppenheimer. Reports of committees will then be presented.

First a from David F. Barrett, 5149
Resa avenue St. Louis Ma.

Resa avenue, St. Louis, Mo.

Alpha H. Kenna, executive secretary Kansas Assn. of Insurance Agents, will be the luncheon speaker on "Leadership Today in Our Business."

#### Strong Speakers Listed

The afternoon program includes: "Why Stay at Home," by R. Maynard "Why Stay at Home," by R. Maynard Toelle, midwest supervisor American Foreign Insurance Assn., Chicago; "Problems of Long Haul Trucks, Propane and Butane Coverages," by R. H. Blum, Denver, and "Sales and How to Increase Them," by Ross Shannon, St. Louis, Socony-Vacuum Oil Co.

Superintendent Leggett of Missouri will be the hongred guest at the ban-

will be the honored guest at the ban-

The Tuesday morning program will include a "lightning demonstration," by Emmett T. Cox, Western Actuarial Bureau, and the business session. At the luncheon, William Anderson, Missouri Inspection Bureau, will speak on "The

Inspection and Audit Bureaus."

In the afternoon, Hugh P. McTernan, In the afternoon, Hugh P. McTernan, social security administration, Kansas City, will speak on "Social Security," and Robert L. Edgar, Lon Harlow & Co. St. Louis, on "Meeting Mutual Competition."

#### Mallett Heads Zone 3 Rating Men's Group

John P. Mallett, director of the casualty and surety division of the Kentucky department, has been elected chairman of the rating men's organization of zone 3 of National Assn. of Insurance Com-missioners. He succeeds William Laugh-lin of the Mississippi department. The lin of the Mississippi department. The group includes rating men for fire, cas-ualty, inland marine, surety and com-pensation lines in Alabama, Florida, Georgia, Louisiana, Kentucky, Missis-

sippi, Missouri and Tennessee.

With the commissioners' approval the group voted to hold their future meetings at a different time and place than the commissioners so as to be able to prepare matters for consideration at the zone gatherings as well as to attend

E. M. Ransom, southern manager of

Commercial Union and president of Southeastern Underwriters Assn., addressing the midyear meeting of S.E.U.A. at Pine-hurst, N. C., stress-ed the economic development that has taken place in the southern states in the past decade, and said that the fire business has kept pace both as respects rates and



1940-49, premium volume of stock fire companies in the nine southern states has increased 2 2/3 times. This has been accomplished while contracts have been broadened and improved and rates kept the same or below those existing 1940.

The activities of the engineering staff, The activities of the engineering stan, he reported, continue good with progress in all phases. The standards of service attained before the last war have been practically regained, and this has been accomplished despite the continued high rate of sprinkler system in stallations the time required of the stallations, the time required of the experienced staff for training new engineers and the continuation of the National Board hospital inspection pro-

Many of the engineers joining S.E.U.A. since the war entered the organization immediately after graduatorganization immediately after graduating from college. Mr. Ransom pointed out that in consequence a large part of the staff is in the age group that is subject to call for military service. However, barring any material loss of personnel, S.E.U.A. now has an engineering staff of sufficient number and experience to render the complete

Mr. Ransom emphasized the fact that the south is diversifying its industries and offers many more fields for the fire business. He said that in all phases of business since the war, the south has outgained the rest of the nation

#### **Battles Takes Second Post** in California Association

SAN FRANCISCO-California Assn. of Insurance Agents at its annual meeting here, in addition to electing Lorrin K. Carroll of Chico president, named Robert E. Battles of Los Angeles vicepresident and Robert S. Dawson of Pasadena secretary-treasurer. Mr. Carroll succeeds Harold E. Barnhart of

Insurance Women of Bakersfield, Cal., has been formed with 37 charter members. President is Vera Redfern; vice-president, Mildred McHugh; secretary, Frances Cable, and treasurer, Lorena

# Van Vechten Raps **Personal Politics Before Ohio Agents**

#### New NAIA Vice-President Honored at Columbus

COLUMBUS-James F. Van Veci ten. Akron, new vice-president National Assn. of Insurance Agen made a forthright presentation of h views on controversial topics in his fir public appearance in that office. M Van Vechten was the featured speak at the Monday luncheon during the meeting of Ohio Assn. of Insurance Agents here. The night before he wa honored at a testimonial dinner by th

Ohio past presidents.
On the touchy subject of state v national organizations, Mr. Van Vecten said he believes in cooperation with the states, that he applauds the work of the states of the states of the states. of the state secretaries and manage and that he wants to see a rotation these men at national executive conmittee meetings, so that more of the will have a better understanding of the problems before the National associations

#### Wants Good Men Brought Up

Mr. Van Vechten also said that to many able men have refused to ri for N. A. I. A. office because of tunpleasant implications in this. He sa he dislikes politics there and he is it terested in tapping the reservoir ability needed for top leadership. I dislikes mediocrity, wants to shoot the moon and prays he is big enough

the moon and prays he is big enought to overlook personalities.

Reading from the constitution of N. A. I. A., Mr. Van Vechten said that it is organized to support right principles and oppose bad practices in its surance and one of its cardinal purpose is the proporter understanding between is to promote understanding between other insurance organizations. Emph street, Mr. Van Vechten said he want to deal with companies on that basi As for cooperation with other producer. organizations, Mr. Van Vechten sai he favors reactivating and expanding the metropolitan agents committee include this liaison work.

#### OVATION FOR MOULTON

R. L. Moulton, Ohio director of trace and commerce, with the insurance department under his jurisdiction, got a ovation at this luncheon for his vigor ous defense of private business and hopposition to government interference. He praised Superintendent Robinson, adid every other speaker, for his a ministration of the insurance depart

John C. Stott, Norwich, N. Y., pa N. A. I. A. president, who precede Mr. Van Vechten, spoke of the growin danger of socialization and warne agents that they must be ready justify themselves. He said the batt for private enterprise can be won on if agents, individually and collectivel can satisfy themselves and the publ that they are providing better servi-

and better protection than the government or a socialized bureau could offe Mr. Van Vechten was honored at the Club of Columbus Sunday evenin Carl A. Gluck, Youngstown, who su ceeded Mr. Van Vechten as state it ional director. Superintendent Robinson tional director, Superintendent Robin and Paul Gingher, counsel Ohio asso ations, were the principal speakers.

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Van Vech resident nce Agen ation of h s in his fire office. M ared speak during th f Insurand fore he wa nner by th

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FIRE MARINE CASUALTY SURETY ANC NSUR

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Vovember

### Mutuals Take Cognizance of Federal Tax Issue

officially to say about the issue that has been raised about the federal income tax

position of mutual companies:
"Behind the mask of a 'tax equality'
slogan, a nationwide campaign to mislead American business men as to federal income tax status of mutual fire and casualty insurance now is in prog-ress. A special target is the 'small busi-Campaign is conducted prinness man. cipally through a front organization known as the National Tax Equality Assn., to which certain stock insurance interests have made financial contribu-

"Purpose of campaign is to fasten an inequitable burden of federal income taxes upon mutual fire and casualty insurance companies, in addition to the very substantial federal income taxes they now pay. Because there now is need for larger federal revenues, National Tax Equality Assn. apparently hopes that public support can be gained by misrepresentation for an increase in federal income taxes of mutual com-panies disproportionately greater than is required of other corporations. Method of campaign is to keep directing an incessant barrage of pressure propaganda at those members of Congress who will be concerned shortly with writing new federal tax legislation, and legislation, and at the Congress generally.

#### Fundamentals Are Stated

"Despite agitation and confusion, there is nothing mysterious or compli-cated about how fire and casualty insurance companies pay federal income taxes. The fundamentals are simple.

"Stock fire and casualty insurance companies are corporations organized for the purpose of making a profit out of engaging in the insurance business. These profits belong to their stockholders. So if the stock insurance corporation makes a profit or tion makes a profit on any year, whether from underwriting or investment, it pays federal income taxes on these profits just as any other profit-making corporation would. Tax would be paid at the regular corporation rate, which now may be considered 45%, and which is expected to go higher. If the stock inexpected to go higher. If the stock insurance corporation does not make a in any year it is not required to pay federal income tax at all, and it is possible to spread losses over a period of several years.

"Mutual fire and casualty insurance companies are corporations organized for the purpose of furnishing protection to their policyholders at the lowest cost consistent with sound insurance prin-ciples. They do not make profits; they are non-profit corporations by definition. Funds collected from policyholders which are not required for losses, expenses, and reserves are returned to the policyholders, who are members of the corporation. Obviously there can be no element of profit involved in the underwriting coertions of a metal. underwriting operations of a mutual fire and casualty insurance company. It has been contended, however, that there be an element of profit to the mutual corporation in its income from investments. So Congress provided in the revenue act of 1942 that all but the mallest mutual companies pay federal . income taxes upon the following plan:

"(1) Taxation of net investment inincluding net capital gains, at regular corporation rates; or
"(2) Taxation of gross income at 1%.

#### Effect Is Pointed Out

"The higher of the two taxes duced by the two separate calculations must be paid. In effect this means that mutual fire and casualty insurance companies must pay federal income taxes at regular corporation rates on net investment income, but that there is a floor on taxation of net investment income which never can be lower than 1% of gross income.

"Under a federal income tax plan such as applies to stock fire and casualty insurance companies, it is obvious that these companies are required to pay taxes only in years when they make profits. Under a plan such as applies to mutual fire and casualty insurance companies, it is obvious that these companies are required to pay federal in-come taxes in every year, even if outgo far exceeds income.

pamphlet widely circulated early in 1950 by Massachusetts Bonding & Insurance Co., well-known stock casual-ty carrier, said that stock companies pay 'huge' federal income taxes, mutual companies pay only 'token' taxes. The facts: for the five-year period 1944-1948 the 273 mutual fire and casualty insurance companies listed in Best's Insurance ance Reports incurred in federal income taxes \$38,905,000; this was 1.24% of the \$3,134,078,000 they wrote during that period in net premiums, less dividends to policyholders. During same period the 391 stock fire and casualty insurance companies listed in Best's incurred \$195,-544,000 in federal income taxes; this was 1.4% of the \$13,924,531,000 they was 1.170 in the period in net premiums, less dividends to policyholders.
"How 1.24% of mutual premium vol-

ume can be considered a 'token' pay-ment of federal income taxes, and 1.4% of stock premium volume can be considered a 'huge' payment of federal income taxes, has not yet been explained. Even when period 1945-1949 is used including year 1949 which probably was most profitable in the history of stock insurance — stock companies paid fed-eral income taxes at rate of only 1.98% of premiums written, with mutual rate rising to 1.29%, after dividends to policyholders.

#### Difference Is Shown

"Obvious answer is that stock insur-ance companies pay more Federal in-come taxes when profits are large than when they are not, that mutual insur-ance companies pay federal income taxes at about same rate regard-less of annual experience. In some years, in many cases, mutual companies pay at higher rate than stock companies. Situation merely highlights dif-ferences between two types of companies, recognized by Congress, and equity of tax plan is not involved.

"The formal slogan under which the National Tax Equality Assn. carries on its campaigning is 'complete tax equality.' The National Tax Equality Assn. operating in many fields, and this ogan can mean many things when it is applied to such different types of or-ganizations as universities and farm cooperatives.

far as mutual fire and casualty insurance companies are concerned the slogan would seem to mean, upon the basis of what the National Tax Equality is seeking:

'(1) All income of all mutual fire "(1) All income of all mutual and casualty insurance companies, above that paid for losses and operating expenses, would be taxable under federal income tax laws at the

regular corporation rate.

"(2) Dividends or savings returned to policyholders would not be deductible before computation of taxable income of the mutual insurance company.

(3) No mutual fire insurance or casualty insurance companies would be ex-empt from provisions of the federal income tax law. At present mutual fire and casualty insurance companies having gross income of less than \$75,000 in a year are exempt from payment of federal income taxes in the years when gross income is below this figure. These are principally small assessment mutual insurance companies writing farm

"Before the 81st Congress left Washington several weeks ago it passed the federal revenue act of 1950. Despite

### Contrasts American and British Covers

The salient differences between and American insurance contracts and underwriting practices were discussed by Ben Dale Cooke, senior member of B. D. Cooke & Partners, Ltd., London underwriters, at the October luncheon of Risk Research Institute New York.

Mr. Cooke explained that differences in our customs and political structure naturally have been reflected in insur-ance operations. In American contracts, the stated, the amount of type devoted to what is not covered would seem greater than what is covered. He de-scribed one British contract which insured a lessee against loss of rent paid in the event that the premises were demolished by fire. The contract contained three simple paragraphs. One cited assured's name and address; the second, amount of coverage; and third, descrip-

Two contracts, one British and the other American, which afforded similar coverage were compared by Mr. Cooke. The American contract contained 112 lines; the British, 20 lines. Instead of being five and a half times as clear, it is, in our opinion, five and a half times

more cumbersome, he commented. British contracts are simpler because there is freedom from rate supervision, he explained. This gives the companies more flexibility. Parliament has not taken up the cudgel for policyholders, he stated.

#### No War Risk Cover

In referring to war exclusion clauses, Mr. Cooke revealed that for the past 15 years no British companies have written war risk coverage on land risks. It is our belief, he added, that such insurance cannot be written in good faith today because the combined resources of companies could not meet mass losses. During World War II, he continued, the British Government did undertake such risks and great deficits resulted.

During a discussion period which followed his address, Mr. Cooke was asked if British fire companies generally subrogate. He stated that British contracts in general do not have a subrogation clause because there is not need for it. It is British common law that if a company pays an assured for a loss and that assured has a right to collect from another party, that same right is imparted to the company. Inasmuch as over 90% of mercantile establishments and private residences carry fire insurance, exercising subrogation rights would benefit no one but the lawyers, he explained.

#### To Enlarge Hartford **Headquarters on Coast**

Plans are in preparation for a substantial addition to the Hartford building at San Francisco, the Pacific department headquarters of Hartford Fire and Hartford Accident.

The present four-story and basement building will be enlarged by the addition of two complete floors as well as by extending the present walls to in-clude the present light wells.

It is expected that work on the re-modeling and addition will commence early in 1951.

strong pressures which the National Tax Equality Assn. attempted to exert late in the session, the legislation included no changes from the previous law of special significance to mutual fire and casualty insurance companies— except that they have the same general interest as any other taxpayer in the increase in the corporation tax rate from 38% to 45%. Act was regarded as a stopgap measure, however, and indications are that the whole insurance federal tax question may be opened up when the 82nd Congress comes together early in 1951."

### Mutual Fire Companies Elect

#### Knowlton President: Fire Safety Big Theme at Boston

BOSTON — Nelson M. Knowlton president of Holyoke Mutual Fire of Salem, Mass., was elected president of Federation of Mutual Fire Insurance Companies at the annual convention here. John A. Buxton, Federated Mutual Implement & Hardware, wa elected vice-president. H. J. Pelstring elected vice-president. H. J. Pelstri Pennsylvania Lumbermen's Mutual,

the new director.

National Fire Protection Assn. 1 63 technical committees and 18 standards, Percy Bugbee, general man ager, told the federation. The standards which have been increased by ones in recent months, provide the basi ammunition for better fire protection and prevention among insurers and in creasingly in state and municipal legis lation.

#### New Inspection Manual

N. F. P. A. is bringing out a new in-spection manual in November, he said which will be a major contribution to the inspection departments of all insu ance bureaus and companies. Yet stand ards and literature won't control the vast number of fires caused by care-lessness. What is N. F. P. A. doing about

He mentioned his crusade to interes cigarette companies in fire prevention There has been support from Tobacco Company — Lucky Strike. Camel, Old Gold, Phillip Morris and Raleighs. The Advertising Council is interested. He reported also on fire pre vention with schools and work with the National Education Assn., regiona meetings, campaign to reduce life hazard in public buildings from combustible interior finishes, unification of building codes, revived interest in civil defense

#### Fire Safety Is Big Theme

R. H. Wingate, vice-president Liberty Mutual Fire, reported on fire safety committee activities.

The committee's publication, "Tested Activities for Fire Prevention Committees", has had wide distribution. It is a compendium of ideas in this field that is

added to from time to time.
"Judging the Fire Risk" has created the most interest of any committee booklet, he said. It aims to enable producers to determine if a property con stitutes a desirable risk. It also is used for fire protection and training in that field. The Far East air forces and all naval districts have obtained copies for use by safety officers.

#### Program for Hospitals

The committee also developed "Hospital Fire Emergencies" and sent to hospitals. With National Automatic Sprinkler & Fire Control Assn. the committee is sponsoring a week's program at Youngstown beginning Nov. 27 for company engineers and underwriters on automatic sprinklers.

A student domicile protection project being developed, dealing with fire safety in college and fraternity dormitories.

The committee indicated it favors the idea of getting out a booklet on schoolfire patrols, a project of much inthe proposed society of Mutual Fire Protection Engineers, which will, it is believed, help mutual insurers measure the engineering capacity of engineers within the companies and encourage engineers to improve their capabilities

Colleges and universities are woefully unprepared for the existing danger of residence hall fires, John J. Ahern told the federation. Mr. Ahern, director of

fire protection and safety engineering at (CONTINUED ON PAGE 47)

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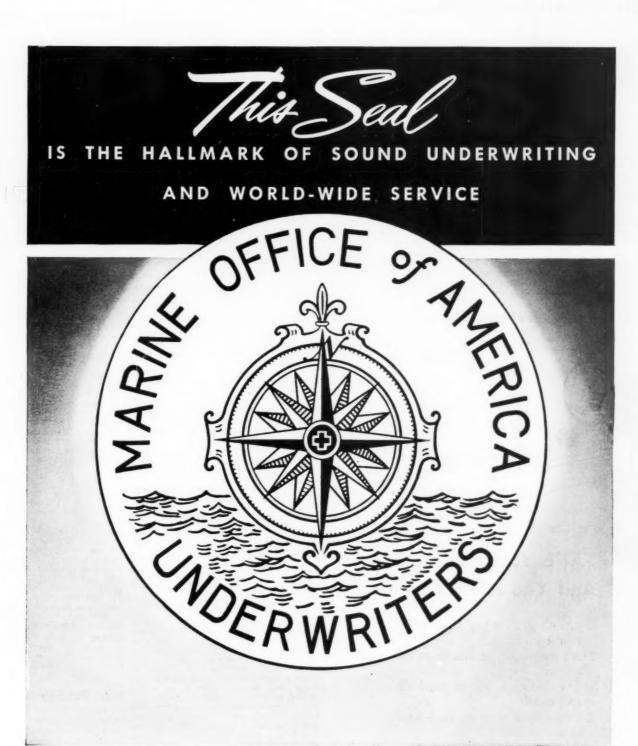
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# Seek to Meet Competition on Farm Business in Mass.

SPRINGFIELD—One of the enthusiastic credits being passed around at the Massachusetts Assn. of Insurance Agents convention here was for the fine job that Gordon A. Woodward, Hatfield, did as chairman of the producers' committee named to look into the matter of farm rules, rates and forms.

Mr. Woodward and his committee shortly before the meeting completed a study of the farm business and a list of recommendations. The latter were sent to New England Fire Insurance Rating Assn., and that group had acknowledged them and indicated that the board of governors would take up the subject early in November through its committee on rates, rules and forms. Mr. Woodward, active in the affairs of the agents' association, was named chairman of the committee by the Insurance Brokers Assn. of Massachusetts.

Objective of the committee was to devise plans to meet the present competitive situation on certain high grade

farms, and to revise the entire farm insurance system on a long range basis to bring it in line with present conditions so that all companies could write farm business with a reasonable profit. The move followed filing of a deviation on farm rates by Liberty Mutual.

Any revision of rates, rules and forms should be given proper publicity through the farm publications and bureaus, Mr. Woodward believes. This would stress to the farmer the need of farm fire prevention and show that by proper safety methods, lower and fairer rates would result. It would make widely known the fact that insurers want farm insurance and want to work with the farmer to the advantage of both.

The committee report suggested consideration of a redefinition of what is farm property. The present one dates from the era when the average family had a barn where the driving horses were kept and perhaps a family cow. The limit of four head of livestock was intended to differentiate this type of barn from a farmer's barn. The same

difference in classification is reflected in the definitions of private garage and private barn in the minimum rate rules.

Many finer type garages have a loft or basement which does not increase the fire hazard but changes the classification to a higher one, the committee report pointed out. Any private barn used to keep livestock, even if only saddle horses, has the same fire hazard as a similar so-called farm barn. While the barn may be smaller than a large cattle barn, the value and premium are less, but the hazard is the same.

The definition should recognize the several distinct types of farms in New England, and to a farm base rate should be added debits or credits to reflect the actual hazard of the particular type of farm. There are six basic farm classes—poultry, dairy (including raising and breeding of horses), fruit; tobacco, cranberry, and general, which includes market gardens, potatoes and other vegetables. The new definition of farm property should follow a general plan which would include buildings on any of these type farms, excluding only those where the farm operations are on a small personal scale as a sideline or hobby and in no way present any additional fire hazard.

#### The Definition Would Be:

Farm rates apply to any property where outbuildings are used to rear or keep livestock, raise poultry in excess of 100 birds at any one time, is used to store fruit, grain, vegetables or other farm produce; is used to keep and store farm machinery and machines, and is not to apply when produce or machines and machinery do not involve cultivation of more than three acres of land by the owner or any lessor either on the same premises or elsewhere; is not to apply to private garages on the premises. A private garage shall be a one story building used exclusively to store automobiles including trucks and tractors and their equipment.

This definition covers all farm property much more comprehensively than the present definition and excludes only the home gardener and amateur poultry raiser who do not have outbuildings which could be classed as a farm fre hazard. It might require a revision of the definition of private barns under minimum rates but this should be done as there is at present confusion under the distinction between these two items particularly with the 10% clause covering such outbuildings regardless of the definition except for "farming purposes," which farming purposes are not defined in the policy.

#### Suggests Debits and Credits

With the clarification of the definition of farm buildings a base rate for farms should be established with debits and credits given to such base rates for the following items:

Dwellings: Dwelling rates should be

Dwellings: Dwelling rates should be more in line with minimum rates in the same class town. There is no added hazard to a farm dwelling as such over any other dwelling in the same class town. The day of the kerosene lantern and house full of low class farm laborer-boarders is gone. Perhaps on some of the largest dairy farms there are houses for the farm help but they are adequately housed and an intelligent high class type of farm labor. Perhaps they carry the aroma of the cow barn but that is not a fire hazard.

There could be a debit for exposure to farm outbuildings rated in accordance with farm rules (not private garages). These distances should be more in line with present fire fighting facilities. The present 75 ft. class D towns has proven much more than necessary. Also present rates are the same for dwelling and outbuilding. These rates should be replaced by an exposure charge only, similar to other rating schedules. In figuring the distances applicable it should be borne in mind that many farm dwellings have a long one story, non-combustible roof ell containing a kitchen, back kitchen, and garages which reaches to the main barn but offers an excellent

(CONTINUED ON PAGE 46)

# Bankers Discuss Microfilming of Insurance Policies

Whether banks' insurance contracts should be microfilmed in face of the threat of atomic attack was the chief question before members of the New York Savings Bank Insurance Forum at their October meeting. Ralph Steward Union Savings Bank, chairman of the forum, and John Danko, Central Savings Bank secretary, were moderators

forum, and John Danko, Central Savings Bank, secretary, were moderators. Most of those present stated that their banks are planning to film or have filmed all bonds and mortgages. There was, however, a difference of opinion omicrofilming insurance contracts. On member stated that underwriters had made no definite statement as to whether insurers are going to film their own records. For this reason, he concluded his bank has already begun microfilming its insurance contracts along with all other valauble records.

#### Coverage Record Could Vanish

The importance of microfilming contracts was stressed by one member who said that where assured, bank, agen and insurer are located in one city, a single atom bomb might obliterate all record of assured's coverage.

Among the banks that have already microfilmed contracts, one has processed all contracts and endorsements in their entirety. Another has filmed only the contracts' declarations and endorse

Although a bank may decide to microfilm its contracts, there still exists the problem of indexing them. One bank has cross-indexed the film and entered into a record book what contracts have been filmed, on what day, and on what roll the picture may be found. One member raised the question whether or not insurers would recognize microfilmed contracts.

#### Microfilm on a Daily Basis

Microfilming contracts should be established on a daily basis, one member declared, because an accumulation of records interferes with smooth operations. Renewals, one buyer said, can be followed at periodic intervals.

be filmed at periodic intervals.

Even though there is available insurance providing coverage for the cost of replacing microfilm, most of the members declared that they would prefer to be self-insurers. Some expressed a belief that perhaps a valuable papers contract or a bankers' blanket bond might be extended to contemplate coverage for the cost of refilming the contracts.

Fred G. Baker, Manhattan Savings Bank, in a general discussion stated that automatic reinstatement on fire contracts up to \$500 is not too far off.

#### Past Presidents Honored

Sixteen past presidents of Insurance Accountants Assn. of San Francisco were honored at a luncheon there. Only three past presidents were unable to attend, and their letters of regret were read.

Among the honored guests were Lou E. Best and W. G. Sellwood, the first and second presidents. Also in attendance were five charter members who were among the 17 organizers. Girvin Whitney, Hartford, vice-president of the group, presided in the absence of Russell Archard, Pearl-American.

#### Cincinnati Loss \$210,000

CINCINNATI — Fire originating in the five-story building of Midwest Salvage Co. caused an estimated minimum \$150,000 insurance loss to contents, covered by a coinsurance floater, and \$60,000 business interruption. The Midwest building is owned by the city and was condemned for an expressway. No official loss will be recorded for it. It was written through Isaacs & Bernstein.

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November

### Multiple Line Writing Powers in Various States

Forty-one states and Alaska, District plus auto, aircraft. of Columbia, Hawaii and Puerto Rico Arkansas—Comp powers, by law or by department decision. This includes West Virginia, where permission is subject to conditions established by the department Seven states—Arizona, Idaho, Kansas, Nebraska, Nevada, Ohio and South Dakota-do not permit complete pow-

Below is presented a summary. First given the status, "complete," etc.; is given the status, "complete," etc.; next, lines the company may write without qualifying for complete powers (where these are different for casualty write and surety companies and for fire and marine companies the C. & S. and the M. indicates the class of com-

#### Listing of Powers

Alabama-Complete. Auto, vehicle

Arkansas-Complete (if department believes company's financial condition warrants it). C. & S.: C. & S., auto, aircraft, PPF. F. & M: F. & M., auto,

California-Complete. Auto, aircraft

lorado—Complete. Casualty com-may write all PPF risks without PPF Colorado-Complete. qualifying for complete multiple pow-

Connecticut—Complete (at commissioner's discretion). Auto, aircraft, PPF. Delaware—Complete. Auto, aircraft,

District of Columbia—Complete.

Florida-Complete (by department ruling).

Georgia-Complete (by department uling). PPF.

Hawaii Has Complete Powers

Hawaii-Complete. Auto, Alaska—Complete. Auto and PPF. Arizona—C & S: C. & S. plus auto, aircraft and PPF. F. & M.: F. & M. compliance with rate regulatory re-

quirements; ocean marine without quali-

Idaho—C. & S.: C. & S. plus auto, PPF. F. & M.: F. & M.
Illinois—Complete. Casualty company: Auto, aircraft, PPF.
Indiana—Complete. Auto, PPF.

Towa—Complete. Auto, aircraft.

Kansas—C. & S.: Complete. Auto, aircraft.

Auto, aircraft.

Expense Loadings

Auto, aircraft.

Kentucky—Complete. Auto, aircraft,

RALEIGH, N. C.—Commissi

Louisiana-Complete. Auto, aircraft,

Maine-Complete. Casualty: PPF. Maryland-Complete. Auto, aircraft,

Massachusetts-Complete. Auto, air-

Michigan-Complete. Casualty: PPF, auto, aircraft. Minnesota-Complete. Auto,

Miniesota—Complete. Auto, PP water damage. Mississippi—Complete. Auto, PPF. Missouri—Complete. Montana—Complete.

#### Situation in Nebraska

Nebraska—C. & S.: C. & S. plus PPF, auto. F. & M.: F. & M. plus auto and liability on vehicles (including ele-

Nevada—C. & S.: C. & S. plus PPF, auto, aircraft. F. & M.: F. & M. New Hampshire—Complete. Auto,

New Jersey—Complete. Auto, PPF. New Mexico—C. & S.: C. & S. plus PPF, auto, aircraft. F. & M.: F. & M. plus auto, aircraft. Department complete upon compliance with cumulative requirements of fire and casualty companies

ew York-Complete. PPF, auto, aircraft.

North Carolina—Complete. Auto, aircraft, PPF.

North Dakota—Complete. Auto, PPF.
Ohio—C. & S.: C. & S. plus auto and
other vehicle but not against fire alone.
F. & M.: F. & M.
Oklahoma—Complete.
Oregon—Complete.
Description of Complete Auto, PRE

Pennsylvania—Complete. Auto, PPF. Puerto Rico—Complete.

#### R. I. Permits Full Writings

Rhode Island—Department permits multiple lines subject to reciprocity. South Carolina—Complete (by department ruling).

South Dakota—C. & S.: C. & S. plus auto, aircraft, PPF. F. & M.: F. & M.,

Tennessee-Complete. Auto, aircraft,

Texas—Complete. PPF, auto.
Utah—Complete. Auto, aircraft, PPF.
Vermont—Complete. Auto, PPF.
Virginia—Complete. Auto, PPF.

Washington-Complete. Auto, air craft, PPF. West Virginia—Multiple lines

West Virginia—Multiple lines per-mitted subject to conditions established by department.

Wisconsin-Complete. Auto, aircraft,

Wyoming—Complete (by department ruling). Auto, aircraft, PPF.

#### "Industry" to Welcome Dineen at Chicago Dinner

Robert E. Dineen, vice-president of Northwestern Mutual Life, on Nov. 15 at Union League Club, Chicago, is to be welcomed as a member of "the industry." The dinner, in his honor, marking his transition from the governing ranks his transition from the governing ranks of New York insurance superintendent to those of the governed is being arranged for by W. Lee Shield of American Life Convention; A. V. Gruhn, American Mutual Alliance; C. O. Pauley and J. P. Hanna, H. & A. Underwriters Conference; Henry Moser, Allstate; Walter Sheldon, W. A. Alexander & Co., Chicago; Harry H. Fuller, Zurich; Chase Smith, Kemper companies; Foster Farrell, National Fraternal Congress, and John A. Henry, Continental Casualty-Assurance.

The Chet Long general agency at Phoe-ix, Ariz., has moved to the Luhrs Tower t 45 West Jefferson street.

#### COMMISSIONS QUESTIONED

# Cheek Probes Auto. Physical Damage

RALEIGH, N. C .- Commission Cheek has conducted public hearings of expense loadings of companies writing automobile physical damage coverage and the proposal that those rates be leaved by 9.4%.

The hearing on the expense structur was viewed by the commissioner as "no too satisfactory."

During the expense loading hearing Mr. Cheek observed that "the finger of the public is pointed at the auto physical public is publ cal damage business, and it is primari because of the finance companies."

W. D. Hall, actuary of National Automobile Underwriters Assn., asked Mr Cheek if he felt he could regulate the finance business through the insurance

"My intention is to explore it," Mr. Cheek replied. "If I find that I cannot then it is up to the public from then or out." The answer, he added later probably must come from the public. The

hearing "was not too satisfactory."

During a lengthy discussion of the items making up the 50% expense loading. Cheek and department specialists concentrated their attention on the iten

of 26.96% for commissions.

It wasn't the percentage itself that worried him, the commissioner said. Instead, "I want to find out if the companies are actually paying that figure in commissions

"The annual statement figures are filed under oath. I don't see why they would not tell the truth about it." Mr Hall replied.

Furthermore, he added, to try to re-erect an expense formula, "you'd have to consider not only automobile physical damage but also other lines of business to see that they are properly distributed." Mr. Hall also said he did not be lieve an expense formula could be re-erected on a one-year basis. Three yars he said, would be the minimum neces to wipe out distorting factors.

"We ought to call the commission figure what it is," Cheek declared. "We ought to spell it out. If a company is set up for 25% and actually pays only 15%, I think we ought to allow them only what they pay."

Cheek has announced no decisions as a result of the hearing.

Taking part in the conference besides
Actuary Hall were D. A. Tapley, representing State Farm Mutual Auto, and
S. Christy, representing Farm Bureau
Mutual of Ohio.

No opposition was voiced to the ing bureau proposals that physical damage be lowered an overall average of of \$2,005,768 a year on the basis of 1949 business. A decrease of 3.7% amounting to \$527,797 a year, took effect on physical damage rates last Nov.

Mr. Hall said the decreases stem from reduced loss ratios since 1947. As an example, he cited figures showing that experience on \$50 deductible shows a decline in loss ratios from 68.5% on \$5½ million of business in 1947 to 49.6% on

approximately \$12 million in 1949.

He stated that a shift has been observed from \$50 deductible in favor of \$100 deductible, "because of the price."

Commissioner Cheek added that he personally favors the \$100 coverage, since sonally favors the \$100 coverage, since the \$20 difference in cost annually is matched against a difference of but \$50 coverage.

In the expense loading discussions, Hall declared that a company that "went wild expensewise would be foolish any

Every company, he said, is aware of keen competition." "I do think," Mr. Cheek concluded, that we should scrutinize what the companies are paying in commissions.



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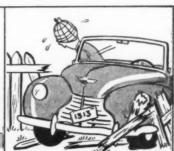
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Asks Harry Hazard

2. Who pays for damage to other peoples' property caused by your car?







5. Fire is a constant menace. Is your car properly insured?





7. This is the type of introduction which is usually expensive.



8. After an accident a summons is bad news, if insurance is inadequate.

O The American Insurance Co.

## Procedural Restraints on Commissioner Eyed

By HENRY HALLAM

WASHINGTON — How far an insurance regulatory official can go without a full, open and free hearing on out a full, open and free hearing on such matters as license revocation is a question recently raised by Federal Judge Holtzoff in granting a temporary injunction restraining D. C. Superintendent Jordan from revoking the insurance agent's license of Car Credit Co.

The court held revocation could not properly be ordered without a hearing at which right of cross-examination of complaining witnesses was assured.

In a post-decision statement, Judge Holtzoff suggested that Mr. Jordan "might grant a rehearing" in the proceeding "and summon witnesses and examine them orally, with opportunity to the respondent for cross-examination."

If, on the basis of testimony obtained in that way, the superintendent "reaches the same conclusion that he reached before," the judge observed, "justice will have been done."

Mr. Jordan told The National Underwriter he had not discussed this suggestion with counsel, nor decided whether to rehear the case.

When Assistant Corporation Counsel Korman, representing Mr. Jordan, sug-gested to the court that "when a license matter is being considered the licensing authority—in this case the superintendauthority—in this case the superintendent—is not required to follow all the nice steps...," Judge Holtzoff replied that "is true when a license is about to be granted or denied, but when a license is to be revoked, then you have a property right which is entitled to protection of due process." protection of due process.

The court went on to say, in response to other remarks of counsel, that the appellate court in the American Eagle case, which involved fire rate reductions case, which involved fire rate reductions ordered here a few years ago by Mr. Jordan, said "there was a right to a trial de novo" and, therefore, a hearing was not necessary. Counsel is "confronted with a dilemma," the judge continued. "If the Eagle case is controlling, then this plaintiff is entitled to a trial de novo. That would be an undesirable consummation," he added.

The judge said the only thing the

The judge said the only thing the loan company was entitled to at the hands of the court was a "determination whether he has had a fair hearing and whether there is substantial evidence to sustain the finding of the superintend-

ent." Judge Holtzoff suggested that it "it would be better for you to take the position that the plaintiff is entitled to a full hearing at the hands of the superintendent." The court held the company was not entitled to a trial de novo.

Hold Pow-wow on Insurance EPT

WASHINGTON—A delegation of the superintendent."

#### Procedural Due Process

The hearing, the judge said, should be "surrounded by procedural due process.... That does not mean that every rule of evidence must be adhered to and enforced, "but it does mean that those rudimentary principles that are part of the warp and woof of constitutional due process ought to be en-forced. I hold the production of witnesses with the opportunity of cross-examination, to be one of those basic principles.'

Korman said he was "worried about the premium matter," that "premiums are not mentioned" in the section of regulations involved, and that "it merely says that a copy of the policy or evi-dence of it must be given to the one who orders the insurance" by the loan company.

The court agreed, but said "this man did not order insurance. He asked, according to his affidavit, was his car insured and they said yes. That is not an order for a policy." He added the affidavit was not sufficient evidence. Counsel said the superintendent deals

with many insurance companies through-out the nation and does not have the power of subpoena. The court was asked what would be the situation where the superintendent doubted the propriety of an outside company being allowed to operate here and said it was not in the public interest. "Is he limited so that he cannot take action" in such a case, Korman asked.

"I am not referring to insurance com-panies," replied the court, "I am re-ferring to the case of an agent."

#### Compliments Jordan

Judge Holtzoff, in the course of his second-day remarks to counsel in the case repeatedly complimented Jordan, whom he had previously castigated. He said he had no doubt the superintendent said ne had no doubt the superintendent acted in the public interest and he had not intended to "reflect on the superintendent's good faith, ability or zeal in the public interest"; that he "is very zealous in representing the public interest, and he should be commended for it", that the De incurrent them. that the D.C. insurance department is "very efficient."

However, the judge called attention that complainant's affidavit did not state any insurance premium was charged for. He declared that an administrative officer presiding at a hearing should not also act as prosecutor, "in a dual capacity," but should "have counsel for that purpose."

Mr. Jordan told THE NATIONAL UNDER-

WRITER he has counsel and "always needs counsel.

#### Avoid Dual Role

An assistant corporation counsel "might well act as prosecutor before the superintendent," the court said. "The superintendent then would sit in the capacity of judge. It would be better for him not to act in both capacities. There is no need for the superintendent of insurance to be a lawyer," the court added. He "is an administrator, and I say a very good one."

However, "when a public official deals with a private citizen in the public in-An assistant corporation counsel

with a private citizen in the public in-terest he must not overlook the rights of the private citizen," the court warned. of the private citizen," the court warned.
"It is always easier to enforce the law
if the enforcement official has no limitation on his authority." The "very
essence of due process," said the court,
is that a person "should not be convicted on an affidavit."

Mr. Jordan "may have acted with an excess of zeal," but "one of the principal duties of the courts is to protect private citizens against encroachment on their rights," Judge Holtzoff de-

Concluding his remarks, he reiterated his belief in Jordan's good faith, ability and zeal to protect public interest.

WASHINGTON—A delegation representing fire and casualty interests conferred here last week with staff representatives of the joint committee on internal revenue taxation at the Capitol on excess profits taxation problems. A committee spokesman said the group had come by invitation because the staff wanted information on the subject, with respect to the insurance business.

The spokesman refused information on who attended the conference, its results, what the companies want, whether any conclusions had been arrived at.

#### London Amsterdam Zurich Is Mystery Insurer

THE NATIONAL UNDERWRITER has been given an announcement that "London Amsterdam Zurich Assurance group' has appointed Stanley H. Nylen of Chicago as trustee for their funds in the U. S. However, there is given no closer definition of such an insurer than this. It is understood there have been several bandered actions written for this content. hundred policies written for this com-pany by a Chicago agent and the Illinois insurance department has directed this agent to discontinue such activities unti he can satisfy the department as to the he can satisfy the department as to the standing of the company and as to its right to operate under the surplus line law. The announcement given to The NATIONAL UNDERWRITER states that "London Amsterdam Zurich" has made an initial deposit with Mr. Nylen of \$50,000 to establish "this trust." The announcement states that Howard C Bates is named counselor and co-trustee and that copies of the trust agree-Bates is named counselor and co-trus-tee and that copies of the trust agree-ment between "London Amsterdam Zurich" and Mr. Nylen will be available in print soon and "will be distributed to interested persons." Offices have been established at 20 North Wacker drive. Chicago.

Mr. Nylen was the organizer of a Chicago reciprocal known as Great Lakes Automobile Insurance Group but he is no longer connected with that company. Mr. Bates also at one time was with the reciprocal.

One report is that the company is domiciled in Holland and has some connections in the Dominican Republic.

#### Camden Fire Names Meyers State Agent at Pittsburgh

Camden Fire has appointed Frank L Meyers state agent at Pittsburgh, supervising western Pennsylvania. He sucvising western Pennsylvania. He succeeds State Agent Edward Hodgdon, who is retiring on pension after 26 years with Camden. Mr. Meyers for the last four years traveled Maine. He will be assisted by Special Agent Edward D. Beal in his new field.

Thomas F. Moore has been appointed special agent to succeed Mr. Meyers in Maine. He is a graduate of the University of Maine and has been employed with a local agency at Biddeford, Me.

#### Flood of Bills Starts

SAN FRANCISCO - The California department has drafted in preliminary bill form 18 changes in the laws affect-ing the insurance business which it proof the legislature. As customary, the department has issued a brief resume of the proposed changes and public hearings will be held Nov. 8 at Los Angeles, and Nov. 9 here.

#### Want Those Sirens Back

New York Board of Trade will be asked by its insurance section to bring pressure to get the siren ban in New ork lifted.

Henry C. Thorn, North America chairman of the insurance section's executive committee, recently conducted a poll which showed members unanimous ly disapproving of the ban.

The agent who was



The prosperous agents that we know don't roll in their money. They're too busy making calls and converting calls into commissions. To put it another way, the secret formula for successful insurance selling is HARD WORK.

That's why it's so important for the company not to burden the agent with time-consuming requests for information or other annoying communications. In addition, the hard working agent has a right to expect prompt service, avoidance of technicalities, reliable underwriters' advice, and most important, conformity to today's needs rather than yesterday's precedents.

Pearl American believes that only through such positive teamwork can the unusual problems be solved and the big commissions be earned.



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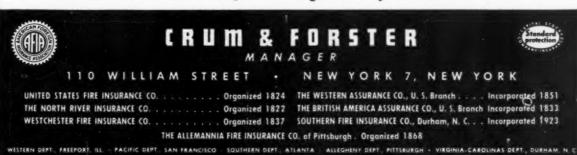
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FREEDOM OF SPEECH...In 1798 when subsequent re-election to Congress were the Federalist Party passed the Sedition Act victories for democracy. ... a direct violation of the First Amendment to the Constitution...public disapproval found expression through the case of Matt Lyon, who was imprisoned for challenging the Act. His triumph and

The strict adherence to the principles of democracy has won for Crum & Forster the confidence of the American people and has contributed to its long and successful career.



Novembe

### Landis Tells Current Outlook on Fire Legal Liability Problem

"Current Observations on Fire Legal Liability" were given by M. L. Landis, counsel of Central Manufacturers Mutual, at the annual meeting of Federation of Mutual Fire Companies at Reston this week. He caid the receipt Boston this week. He said the necessity for fire legal liability coverage has been temporarily reduced by the reasoning in the General Mills case, but no solution has been reached that will solve the basic problem. Whenever a hazard is insurable, the industry is obligated to make every effort to provide protec-tion, he added, because the public needs it and expects it.

The variety of forms and rates covering fire legal liability, and that for explosion, water damage, and other hazards, is indicative that the viewpoints hazards, is indicative that the viewpoints of the public, producers and insurers have not stabilized. Mr. Landis said that a summary of current opinions on the matter shows that the chief concern centers around six points: (1) The basis and source of liabilities; (2) nature and extent of the property involved; (3) underwriting conflicts; (4) methods of meeting the problem other than by of meeting the problem other than by

special insurance; (5) subrogation and its effect upon public relations, and (6) the impact of insurance upon tort and contract case law

#### Need for Protection

The potentialities of subrogation recoveries have already been pointed out, Mr. Landis said, and there is an extensive general need, particularly in cities and other built up communities, for protection against liability resulting from innocent violations of ordinances. The basis of liability for fire damage is an ancient one, but the sources of it have multiplied in direct proportion with the complexity of society, and insurance interest in protection against it is a modern development.

Leases of real property, Mr. Landis remarked, whether oral or written, are contracts which fall into three classes, although they are not standardized: Those where the tenant assumes full Those where the tenant assumes full liability for damage or destruction of property in his care, and by contract the tenant becomes an insurer of the property in which case no current cas-

ualty policy offers him any protection; companies, and joinder of landlord and those where the tenant assumes no lia-bility whatsoever and in which the average casualty policy could protect if the care, custody and control exclu-sions were omitted and the limits for property damage high enough; and those where the tenant assumes partial liabil-ity. This latter class includes a ma-jority of the leases.

#### Reasoning of General Mills Case

The reversal of the General Mills case turned on the intended meaning, in a very formal lease, of the words "loss by fire," Mr. Landis remarked. By a 2 to 1 decision the court held that "fire" was meant to include "negli-gent and non-negligent fire." No reason was found for applying any stricte construction to the words "loss by fire when used in a lease than when used in a fire insurance policy.

Whatever the final outcome in the General Mills case, he added, the insurance industry cannot afford to cease consideration of the problem until all possibilities of legal liability for damage to property in or out of care, custody or control have been analyzed and appropriate protection designed, if insur-

Whether a casualty or fire company should assume this kind of hazard is longer a pressing problem, except in Ohio and a few other states where com-plete multiple line underwriting powers have not yet been approved by law. The important point, Mr. Landis emphasized, seems to be that whichever kind of company assumes the risk, it should plan to do so on the basis which will give as complete protection under one contract as the nature of the risk assumed makes possible. It also seems desirable to reduce to the minimum the number of contracts needed to fill the gap.

#### Three Methods Advocated

Three principal methods other than insurance have been advocated as some relief for fire legal liability risks—reciprocal, exculpatory or hold-harmless agreements; subrogation waiver by fire tenant as insureds in basic policies covering real estate.

There is an almost insurmountable difficulty in drafting clauses in leases which will hold water in all cases, Mr. Landis said, and the inconvenience to all parties in naming several interests as joint insureds, is enough to disqualify this method.

The question of pursuing subrogation The question of pursuing subrogation is becoming an increasingly tense question with the companies. Anyone actively engaged in this activity now recognizes considerable refluctance by increasing the indigration and sureds to participate in litigation, and there is a growing sentiment among juries that an insurance company should not be reimbursed for a loss it was paid to assume. Mr. Landis said in some localities there is an almost uniform refusal by lawyers to accept a subrogation case, whether for fee basis or other reasons. Where the right of subrogation

against an insured party, the law of the jungle prevails between the insurers, since so far subrogation recovery constitutes a windfall for the company effecting it. Only a theoretical argument can be made that the gain of one company merely loads the experience of the other. Both direct coverage and third party coverage rates presumably contain a loading for the negligence element.

Mr. Landis said that until rates for all kinds of property insurance are made on a more scientific basis, including the effect on rates of subrogation recovery the practice will probably continue except in cases where adverse public relations is fairly obvious before suit has been commenced.

Waiver of subrogation is not uncon Waiver of subrogation is not uncommon in justifiable cases, where specific requests for it are made. To afford blanket waiver requires the existence of another device to prevent unjust enrichment of an insured. Mr. Landis remarked that even though subrogation recoveries are not taken into account the state of the transfer and the subrogation recoveries. the rate structure, indiscriminate us of waivers could become unfairly dis-criminatory and a competitive weapon unless governed by some degree of regulation.

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#### Strehler, McCaskie and Sheeley Upped by G.A.B.

A. E. Strehler, manager of General Adjustment Bureau at Albany, has been appointed general adjuster. He will be succeeded as manager by Edward A. McCaskie, now assistant manager at Albany. Mr. Strehler will continue to make his headquarters at Albany. A member of the Bureau staff for 27 years, he started as staff adjuster at Albany and then served at Syracuse and Binghamton. Appointed manager at Binghamton. Appointed manager at Bing-hamton in 1935, he subsequently was transferred to Utica as manager and in 1946 was assigned to Albany.

Mr. McCaskie joined the Bureau in 1913. He entered military service in 1917 and upon his return was with the National Board until he entered the northern New Jersey field as an appointed assistant manager at that office in 1949.

Charles L. Sheely has been appointed assistant manager at Harrisburg. He has been a member of the Bureau staff since 1924, all of which time has been spent in the Pennsylvania field with the exception of six years in the Buffalo office.

#### R. C. Thompson Changes

Raymond C. Thompson has joined Acro Associates as claims and safety engineering manager. Until recently he was with Wallack & Thompson, aviation claims adjusters and consultants.

Mr. Thompson has had some 20 years various phases of aviation. Prior to entering the aviation insurance field, he headed the aviation department for the state of Vermont. In 1942, he joined Aero Insurance Underwriters as engineer and later became manager of the eastern branch. He has held a commercial pilot's certificate 15 years.

#### Indict Former Head of U. S. Mutual of Chicago

Carl A. Barrett, founder and presi dent of Illinois Automobile Club and United States Mutual, the latter now undergoing a liquidation suit before a master in chancery at Chicago, and four other persons have been named in true bills reported by the Chicago grand jury. The charges are conspiracy and embezzlement in connection with the financial affairs of Illinois Automobile Club and U. S. Mutual.

Named with Barrett were his secre Evelyn Marks, and William L. McFarling and Paul Temple, both of Decatur, and John R. Doolin, who succeeded Barrett as head of the club. who succeeded,

The indictments reportedly were based on the payment of approximately \$200,000 to Barrett and Miss Marks by McFarling and Temple for ownership of U. S. Mutual, the money for the trans-

fer being obtained from the insurance company's own funds.

Temple, who is a Decatur attorney, was convicted and placed on probation by federal court in Chicago in 1947 for fraud in obtaining government leans. He fraud in obtaining government loans. He has been involved in several sensational insurance smashups, and at one time was insurance smashups, and at one time was vice-president and secretary of Prudential Casualty & Surety of St. Louis, which blew up in 1931; was vice-president and secretary of the defunct Mississippi Valley Life, and was secretary of Republic Casualty & Surety, now out hysings. He also was a director of of business. He also was a director of the late Iowa National Fire of Des Moines, and at another time was with the Illinois insurance department.

Manhattan Casualty, which writes only automobile libaility, has transferred its New York metropolitan department to 17 John street.

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Using lighted matches in closets can easily result in finding something that you did not expect—that you have set your house on fire. Take a tip from those who have had this experience and have electric lights installed in dark closets. In the meantime, do your exploring with a flashlight.

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### Fate of Several Commissioners Is in Balance Tuesday

(CONTINUED FROM PAGE 1)

prominently mentioned as a possibility is Clant Seay, who is executive secretary of Mississippi Assn. of Insurance

In Montana, where the insurance commissioner is elected, there is no contest until 1952, but John J. Holmes, who has been the commissioner there since 1932, is making another try for Congress on the Democratic ticket and if he is successful there will be a vacancy there.

#### How Contests Shape Up

Here is how the contests shape up in

Here is how the contests shape up in the seven states in which the commissionership is up for election Tuesday:

Delaware — William E. Ferguson, Democrat, local insurance agent of Bridgeville vs. William R. Murphy, Republican, Milford.

Georgia—Zack D. Cravey, incumbent, Democrat, unproposed.

Democrat, unopposed.

Kansas—Frank Sullivan, incumbent,
Republican vs. L. R. Crane, life insurance agent, Wichita, Democrat.

Nevada—Jerry Donovan, incumbent, Democrat vs. Peter Merialdo, Repub-lican, local agent at Eureka. North Carolina—Waldo Cheek, in-cumbent, Democrat, unopposed. North Dakota—A. J. Jensen, Repub-lican vs. Henry W. Anderberg, Demo-

Oklahoma—Donald F. Dickey, incum-bent, Democrat vs. Howard Sprink of McAlester, Republican.

The more important decisions insofar as individual commissioners are con-cerned are coming in several states in which the commissioner is appointed and a governor is being elected.

In Connecticut, for instance, W. Ellery Allyn is safe to finish his term as president of N.A.I.C., because his term as commissioner does not expire until July 1, 1951, and the annual con-

vention of N.A.I.C. would be in June. If Governor Bowles, the Democrat, is reelected in Connecticut, that would probably spell curtains for Mr. Allyn come July 1, 1951. In California there seems to be little

doubt that Governor Warren will be re-elected and the chances are that Downey would be reappointed commissioner, al-though he has rubbed a lot of insurance for the wrong way and there are those who would like his scalp.

In Nebraska it is understood that Bernard Stone, the director of insurance,

intends to leave office soon after Jan. 1 to resume the practice of law.

#### CONNECTICUT SIZEUP

HARTFORD-Among those whose fate is bound up with Connecticut's nipand-tuck election next week is Col. Ellery Allyn, the state's insurance commissioner since July, 1943, and newly-elected president of N.A.I.C.

Mr. Allyn had had no particular ac-

quaintance with insurance at the time he was first appointed to his present office. He was active in state Repub-lican circles, and had been executive secretary of the G.O.P. state central committee.

Mr. Allyn's first appointment to the commissionership came from Republican Governor Raymond E. Baldwin, now a member of Connecticut's supreme court. The commissioner was reappointed for another four-year term in the \$9,000-ayear-office by the late Republican Governor James McConaughy in 1947.

Mr. Allyn is sure of another term if Republican John Davis Lodge wins the close race for the governorship from the incumbent, Democrat Chester

But if Mr. Bowles is successful in his bid for reelection, Mr. Allyn will defi-

nitely be out when his term expires in July, 1951, as will all the other Republican commissioners now in the state government.

ernment.

It is widely understood that Mr. Bowles and his advisers have already picked a man to fill Mr. Allyn's shoes if they are successful in the campaign.

The election will undoubtedly be close. Too close for prediction, some observers say. But the political odds are with the Republicans if only for

observers say. But the political odds are with the Republicans, if only for traditional reasons. They have won every off-year election in Connecticut since 1934. The question is only whether the unusual political activity of Mr. Bowles and the other Democrats, who have been campaigning with comic books, helicopters, and other unconventional methods can offset their usual handicap. Mr. Allyn succeeded John C. Blackall

in the commissionership after the latter had held the job for eight years, first under a Democratic, then under a Republican governor.

The 1950 elections are particularly important in Connecticut because a recent amendment to the state's constitution provides that from this year on govrnors shall be elected for a four-year instead of a two-year term.

That means that this year, and in those to come, every governor will be free to choose an entire slate of commissioners whose terms will be the same length as his. Up till now the biennial election of governors has meant that only one chief executive in every two had a chance to make changes in the commissioners he inherited from the previous administration.

Turnover among insurance commissioners has been less in the past, too, because not every governor who did have a chance would oust the holder of that \$9,000 job on a political basis. Thus Republican Governor Baldwin reap-Republican Governor Baldwin reap-pointed Commissioner Blackall, a Democrat, in 1939.

This year, though, a Republican victory in the election means another term for Commissioner Allyn. A Democratic victory means he's out.

#### HOT FIGHT IN MD.

BALTIMORE—Maryland is strongly Democratic, the occasional Republican victories being in the nature of reprisals against the Democratic candidate rather than as the results of the Republican's abilities. The Democratic gubernatorial primary was bitter. The popular vote went to George P. Mahoney, but under the convention unit system Governor William Preston Lane, Jr., is the candidate. There is much internal strife in the Democratic ranks.

The Republican candidate, Theodore McKeldin, is a lawyer, runs a school of public speaking, and orates like Ham-He is a seasoned handshaker and

let. He is a seasoned handshaker and excellent mixer. Experienced observers give him the edge for carrying the state. Commissioner Claude A. Hanley was a personal appointment of Governor Lane's. Whether, if Lane is reelected, Mr. Hanley would seek reappointment is anybody's guess, and reappointment is anybody's guess. Mr. Hanley is close to few if any insurance men and most of them are indifferent to whether he stays or goes. Incidentally, the career men in Incidentally, the career men in Maryland insurance department are rated as tops.

#### TEXAS SITUATION

DALLAS-Life insurance interests in Texas, especially among the organized producers, are urging the reappointment of George B. Butler as life insurance of George B. Butler as life insurance commissioner when his six-year term expires next Feb. 10, and it is currently believed in informed circles that his chances for reappointment are very good. Harmonious relations have existed between the board of insurance commissioners, of which Mr. Butler is chairman, and Governor Allen Shivers, whose reelection on the Democratic whose reelection on the Democratic

ticket is assured in the general election Nov. 7. During all of this year Mr. But. ler has spoken before many insurance groups in urging a complete recodifica-tion of Texas insurance laws, which is to be presented to the 1951 legislature for enactment. It is known that he and the local life underwriters see eye to eye on the need for improving the agency licensing laws.

#### OUTLOOK IN OHIO

CINCINNATI—In Ohio, the reelec-tion campaign of Sen. Taft and his op-position from organized labor have com-pletely over-shadowed all other contests, so the gubernatorial race has been almost ignored. Gov. Lausche, a Democrat, is ignored. Gov. Lausche, a Democrat, 18 finishing his second—but not consecutive—term and is opposed by Don H. state offices. It is assumed that Gov. Lausche, if reelected, will reappoint Superintendent Robinson, while Mr. Superintendent Robinson, while Mr. Ebright, if successful, will appoint a Republican. Mr. Robinson is a veteran career man in the insurance department, the first to be appointed superintendent in this state. Most insurance men have taken it for granted that he will retire whenever he ceases to be superintendent

The Ohio situation is in sharp con trast to two years ago, when the race for governor commanded major atten-tion and many insurance men of both tion and many insurance men of both parties campaigned actively for Gov. Lausche, who had then been out of office for two years, because of dissatisfaction over the way the previous administration handled the licensing of General Motors dealers. The legislature passed a bill satisfactory to the agents on this point and insurance people feel generally that Gov. Lausche has ple feel generally that Gov. Lausche has kept his campaign promises. The gubernatorial race, however, seems unpredictable. Gov. Lausche has always been a strong vote getter and usually runs ahead of his party ticket, in victory and in defeat. He will undoubtedly get many votes from independent voters who will defeat. also vote for Sen. Taft, but no one knows whether this will offset the antagonism he engendered among organ-ized labor and regular Democratic tagonism he engendered among organized labor and regular Democratic leaders by his refusal up to now to endorse Joseph Ferguson, Sen, Tait's opponent, and his public statement sometime ago that he had not made up his own mind as to whom he would vote for in the senate race.

#### ACTIVITY IN UTAH

SALT LAKE CITY-Utah's Repub SALT LAKE CITY—Utah's Republican Governor, J. Bracken Lee, elected in 1948 on a platform of greater economy, lower taxes and increased efficiency has been taking to the airways several times each week in Utah over a 17 station hook-up. He has been urging the election Nov. 7 of a state legislature consisting of Republicans. This former insurance agent from Price, states that such is essential if his proformer insurance agent from Price, states that such is essential if his pro-

gram is to be effectively carried out ing the Beehive state.

Although he has canceled out many non-essential jobs on the state payroll roll in Utah, Governor Lee did create and experiments the first full-time inand appointment the first full-time in-surance commissioner the state had had in eight years. Lewis M. Terry, 38 years of age, and a former company man and local agent, became the head of the department on May 1, 1949. er Terry has served on a salary which many secretaries would scorn, but has done an excellent and workmanlike job which has benefited the entire insurance

which has benefited the countries business in Utah.

Utah's income for 1949 for premium taxes, licenses, fees, etc., from its insurance department, was slightly less than \$1 million. The commisioner and his deputy, H. J. Timmerman, and a staff of four have handled a million dollar per year business. The department lar per year business. The department operates on less than \$15,000 per year which includes salaries, supplies, equip-

ment, rent, travel, etc.
Governor Lee, being acquainted with
the soundness of having a fully staffed
and adequately paid insurance department, tried in vain to enhance this division during the 1949 legislature, even



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though he wielded the "economy axe" with frequency and good effect in several other overstaffed departments. Both the house and the senate had Democratic majorities in 1949. Their efforts to prevent any change in the status quo of the departmental organization did put Governor Lee's economy program on dead center until the legislature adjourned. Even so, little of his legislation was passed. It is, therefore, understandable why

fion was passed.

It is, therefore, understandable why one of the hardest campaigners in the Republican party in Utah, and for good reason, is J. Bracken Lee, former owner of the Equitable Insurance Agency of Price.

consecuDon H.
Don H.
DES MOINES—There is considerable
interest among the insurance men in
load Gov.

Jowa over the election of the governor Nov. 7 as the next governor will make the appointment of insurance commis-

sioner next year.

Gov. William S. Beardsley, the incumbent and a Republican, is opposed by Lester Gillette of Fostoria, Demo-

The four-year term of the present will retire the four-year term of the present lowa commissioner, Sterling Alexander, sharp con. will expire next July 1. Mr. Alexander in the race was appointed by former Governor alor atten. Robert D. Blue who was defeated for a ren of both for Gov. Beardsley is reelected it is almost ceren out of tain that he will not reappoint Mr. Alexander since the two belong to different Republican groups.

previous ferent Republican groups.
ensing of Former Commissioner Charles
e legisla- Fischer is a close friend of Gov. Beard-Fischer is a close friend of Gov. Beard-sley and served as his campaign mana-ger two years ago. He has not taken an active part in the present campaign, however, since he holds a state post as secretary of the Little Hoover state re-organization committee. If Beardsley is reelected Mr. Fischer probably will be in line for reappointment as insurance commissioner. commissioner.

The Democratic candidate for governor is a farmer and has no insurance

### ng organ-Democratic SOUTHALL NOT AFFECTED

SOUTHALL NOT AFFECTED
LOUISVIILE—There is no gubernatorial election in Kentucky this fall. The present governor, Earle Clements, Democrat, is running for U. S. Senator, against former Federal Judge Charles I. Dawson, Republican. The latter was very active in the old Missouri State Life troubles, and while federal judge turned down the presidency of Missouri State. If Clements is elected to the Senate Lt. Gov. Lawrence Weatherby of Anchorage will, it is understood, step into the governor's office, just as Keen Johnson stepped in some years ago when A. B. Chandler, while governor, ran for the Senate.

As Weatherby and Commissioner Southall are both administration men, it is unlikely that there would be any change in the insurance department.

STUDY LANGE'S POSITION
MILWAUKEE—What the effect of
the outcome of the gubernatorial election in Wisconsin might have on the
insurance department is uncertain at
this time. Walter Kohler, Sheboygan
industrialist, is the Republican nominee,
and Carl Thompson, lawver in the Madiand Carl Thompson, lawyer in the Madison area, is the Democrat. John Lange, the Wisconsin commissioner, is a career man who was appointed by Gov. Renne-bohm and the general impression is that he will be reappointed when his term expires June 30, 1951.

CALIFORNIA PICTURE

SAN FRANCISCO—All the straws in the political wind indicate that the incumbent governor, Earl Warren, will have a run-away over his opponent, James Roosevelt, although the public's reaction to the campaign speeches and appeals has been one of apathy.

However, the insurance fraternity is lining up pretty solidly behind Warren. Commissioner Downey has undoubtedly won over numerous insurance people who at one time were opposed to him but he still has plenty of critics. His term expires Feb. 1, 1951. Mr.

Downey has made no public announcement (or a known private statement) as to whether he would accept reappoint-ment or not, and accordingly there is

ment or not, and accordingly there is the two-horned speculation: will Warren, if elected, reappoint Downey, and if offered reappointment will Downey accept? To direct questioning, Downey has said, "No comment."

Downey at the outset of his regime in a short time was in comparatively hot water with practically everybody in the business—from company brass on down to the street agents. He was open to much criticism during the rate regula-

tory hearings, when he fought the all-industry type of legislation in favor of the present California rate regulatory law; his eccentric receivership action law; his eccentric receivership action against Rhode Island Ins. Co. was a hot potato, and the life insurance men be-wailed what they called his "dictatorial manner" in handling the life agent's qualification examination.

But at the recent annual meeting of California Assn. of Insurance Agents at San Francisco, Mr. Downey was roundly applauded when he mentioned the state's regulatory law as compared with the all-industry type. The Rhode Island is

now in receivership and the isolated ac-tion of California is no longer an issue, and the life insurance men are now living with, and have considerable admira-tion for the agents' qualification rules and regulations, for, again, the cheers went up, when at one life insurance managers meeting a speaker expressed the desire that his state had agents' qualifi-cation laws exactly like those of California.

Thus Mr. Downey on the record has something of a record of vindication in espousing unpopular causes. This makes

(CONTINUED ON PAGE 18)



A hungry hawk, failing to snare a flock of pigeons by direct attack, resorted to cunning. Calling down to their cote, he said: "Why live in constant fear, pigeons? Make me your king and I shall protect you from harm." The gullible pigeons agreed, and made the hawk their king; whereupon he issued an order that one pigeon would be sacrificed for his dinner each day.

In this same insidious manner, the "welfare state" threatens to make Americans swap their hard-won freedom for false security.

Abraham Lincoln said: "As I would not be a slave, so I would not be a master. This expresses my idea of democracy. Whatever differs from this, to the extent of the difference, is no democracy."



Head Office: 401 California Street, San Francisco 20, California Departmental Offices: New York • Chicago • Boston • Atlanta • Los Angeles

FIREMAN'S FUND INSURANCE COMPANY . HOME FIRE & MARINE INSURANCE COMPANY

FIREMAN'S FUND INDEMNITY COMPANY · WESTERN NATIONAL INSURANCE COMPANY · WESTERN NATIONAL INDEMNITY COMPANY

New officers

#### Four Meetings for Mich. Field Men Nov. 6-9

Michigan field men have marked their Michigan field men have marked their calendars for four meetings Nov. 6-9. The Blue Goose will hold a lunch at the Penobscot Club, Detroit, Nov. 6, and the Fire Underwriters Assn. and public relations committee will meet Nov. 7 at the Fort Shelby hotel. The public relations luncheon will be followed by a panel discussion on business interruption with Errnk Greene, National Fire tion with Frank Greene, National Fire, as moderator.

There will be a town inspection of Jackson, Nov. 8-9 by the Fire Preven-

Jackson, Nov. 8-9 by the Fire Prevention Assn.

Assisted by Carl Strong, coordinator of insurance training at Michigan State College, C. C. Iuppenlatz, Crum & Forster, conducted the first faculty school at Michigan State last month. A presentation of a typical underwriters school meeting was made by Jack Sharpe, Commercial Union, and participating from the college were Ray Garner, assistant professor of vocational educasistant professor of vocational educa-tion; Dr. Wilson B. Paul, head of the speech department; Clare Tettener, speech department; Don Phillips, head of adult education department, and Julius Barbour, consultant in education

#### Rich W. Va. State Agent

Providence Washington has appoint-d Lee W. Rich state agent for West Virginia with headquarters at Charles-ton. He succeeds Walter W. Jennings, who has been transferred to the home

office.

Mr. Rich attended Princeton and was formerly with Royal-Liverpool in New Jersey and West Virginia. He is a marine corps veteran.

#### Dirkers Succeeds Olinger in Minn. for Agricultural

Jerome B. Dirkers has been appointed special agent for Agricultural and Empire State for southern Minnesota, succeeding Paul B. Olinger who is now managing the Chicago office of the

Agricultural group.

Mr. Dirkers is a graduate of Armour Institute of Technology. He spent two years with the Kansas Inspection Buyears with the Kansas Inspection Bureau and five yers with the Factory Association at Chicago. He traveled one year in Indiana, and after three years in the navy has been serving as special agent in Minnesota for Fireman's Fund. His office will be in the Syndicate building Minnesotia

#### Gwynn in Minnesota Field

Syndicate building, Minneapolis.

James S. Gwynn has been appointed a special agent for Fire Association in Minnesota, associated with Howard D. North, special agent in charge, with headquarters in the First National-Soo Line building, Minneapolis. He has been senior examiner at the head office and is a recent graduate of the field training

#### Field Office at South Bend

Aetna Fire is opening a field office in the Platt building, South Bend, Ind., with George K. Simpson as special agent in charge. Mr. Simpson has heretofore been handling most of the north-ern Indiana territory with headquarters at Indianapolis.

Charles Lamb, state agent of Automobile, Connecticut, will address Ohio Stock Fire Speakers Assn. Nov. 6 on "C.P.C.U."



Start things "cooking" by using Springfield Group Service.



### THE SPRINGFIELD GROUP

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY SPRINGFIELD, MASS, BPRINGFIELD FIRE AND MARINE INSURANCE COMPANY . . . . . SPRINGFIELD, MASS.
MICHIGAN FIRE AND MARINE INSURANCE COMPANY . . DETROIT. MICH. . SPRINGFIELD, MASS. NEW ENGLAND FIRE INSURANCE COMPANY .

OF FIRE INSURANCE COMPANIES



Fire Insurance Fieldmen's Club of Geon gia, elected at the Foreig annual meeting annual meeting at St. Simon's Island, are, from left, Edwin Nash, Loyalty Group, president; W. G. Stephens, Jr. Stephens General Agency, vice-president; L. J. Saye, Home, secretary, and E. C. Clarke, Jr, New Hampshire, treasurer.

#### B. P. Carter Field Change

In reporting a change in the Virginia field organization of London Assurance, in the Oct. 19 edition, THE NATIONAL UNDERWRITER failed to make clear that Charter Co. of Richmond, managers of the Virginia-Carolina department for State of Pa., Century, Manhattan F. & M. and Dubuque F. & M., as well as for London Assurance. for London Assurance.

James C. McNaughton is named state

agent for western Virginia for the Carter general agency with headquarters at Roanoke and Robert Greathead, who heretofore has handled the whole state, will now concentrate in eastern Virginia.

#### Hawkins Wayne Co. Head

John W. Hawkins who has been a Ohio, operating out of Cleveland, has been named Wayne county manager at Detroit. Mr. Hawkins, formerly with Ohio Inspection Bureau, replaces the late Jack Shackley, killed in an automobile accident late in September.

#### N. C. Field Men Hold Meet

At the October meeting at Greens-boro of North Carolina Stock Fire In-surance Field Club C. R. Macgill, Amer-ican, was named vice-chairman. A committee was appointed to secure from Commissioner Cheek a clarification of the new provision stating that companies may not extend more than 60 days' credit to agents or brokers for payment

of premiums.
R. M. McFarland, Jr., assistant secretary Southeastern Underwriters Assn., will speak and show a film at the next

meeting.

#### Plan Ala. Flock Rally

Alabama Blue Goose will hold its midyear meeting at Montgomery Nov. 9. The business affairs will be conducted The business affairs will be conducted in the morning, followed by a golf tournament at Woodley Country Club. There will be a concurrent bowling tournament. In the evening there will be a cocktail party and banquet followed by prizes and special entertainment and dancing.

Everett P. Johnson, New York Underwriters, is chairman of the entertainment committee.

#### Home Trainees in Field

Five Home trainees have been appointed special agents. They are Charles M. Johnson, Jr., Charlotte, N. C., working under Resident Secretary J. C. Cook; James W. Chenoweth, Dallas, who will work with Secretary W. L. Gravely and Manager Earl M. Holt there; Jack R. Martin, Houston, assigned to State Agent W. P. Nabors; Howard T. Baugh, Oklahoma City, working with Manager I. M. Hughes, and Arthur C. York, New Orleans, under Manager M. W. Sykes.

Springfield F. & M. has appointed Lewis J. Andrews special agent in Ontario. He was formerly with Royal.

#### Name Three in N. E. Field

North British has made three New England field appointments.
Arthur C. Buettner has been named

pecial agent associated with W. E. Wormwood in Maine with headquarters at Portland. C. H. Lippert is special agent in New Hampshire, associated with G. L. Cady, Jr., of Manchester. Donald M. Kuhn has been named special agent at Boston with headquarters with C. S. Coxe, state agent.

Mr. Buettner has been in the home office and field, and most recently inspector at Boston. Mr. Lippert has been with the group for 23 years in the New England department and at the U. S. head office. Mr. Kuhn has completed a training course at the home office. Wormwood in Maine with headquarters

#### Giblett Succeeds Kaley

Fire Association has appointed Harry W. Giblett special agent at Seattle to succeed Lane Kaley, who has been recalled to active service in the navy.

Mr. Giblett is a graduate of Washington State College and has been in the insurance business in the Seattle area since his discharge from the navy in 1944.

Spread Out Neb. Meetings

Nebraska Fire Underwriters Assa starting with November, will hold meet-ings at Grand Island, Kearney, North Platte and Lincoln. The September Platte and Lincoln. The September meeting was at Hastings and the one for October at Lincoln.

#### To Review Prevention Work

The Nov. 1 meeting of Anthracite Field Club of Pennsylvania at Wilkes-Barre will feature a review of fire prevention week activities. Talks will be given by Samuel Bloch, Jr., and Joseph A. Quinn, co-chairmen of the Wyoming Valley Exchange fire prevention committee, on the accomplishments there ments there.

Morton T. Utley, agency supervisor of Penn Mutual Life, addressed the luncheon meeting Monday of San Francisco Blue Goose on "What Do You Want Out of Life?"

Mrs. Randall Conway of Dallas, member of the Texas auxiliary, was special guest at the October luncheon of the Indies auxiliary of Okinhoma Blue Goose. Mrs. Dan Murchison, Mrs. Ernest Crist. Mrs. R. E. Fergas, Mrs. Dale R. Thomas and Mrs. W. M. Howentsein were hostesses.

#### Name Agent-Field Conferees

Committees to confer on matters of Committees to confer on matters of mutual interest have been appointed by Oklahoma Assn. of Insurance Agents and Fire Underwriters Assn. The agents' committee includes: President H. T. Moran, Oklahoma City. Harold V. Yerby, Poteau, and Kent W. Johnson, Alva.

The field men's committee includes President Charles W. Murray, of Trezevant & Cochran, Forrest Cress, St. Paul, and T. Ray Phillips, Sr., America Fore.

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### MARINE

#### Rumor ECA Looks into Foreign Marine Issues

WASHINGTON—To make a survey of and report on the marine insurance situation abroad, the economic cooperation administration is rumored to have sent a representative to Europe. Whether he or ECA would be able to accomplish anything with respect to foreign government controls involving insurance on ECA-financed cargoes to countries parcretary, and ECA-financed cargoes to countries par-cicipating in the Marshall plan remains ampshire, to be seen.

Marine coverage of cargoes it finances Marine coverage of cargoes it finances is regarded as a sore spot between ECA and American marine insurance people. Under the McCarran amendment to the ECA law passed last year, the Marshall plan agency is required to furnish dollars for marine premiums on shipments financed by it under certain circumstances.

The ECA policy, however, has been to let the foreign importer of such shipments select his own insurance company or policy. Because of nationalistic policies of foreign countries, the foreign policy is said supply to select a foreign countries. importer is said usually to select a for-eign insurer or is required to place cov-

eign insurer or is required to place coverage with a national group or fund.

The result is that U. S. companies still complain that they have not been getting a fair share of marine business on ECA-financed shipments. This matter was brought to attention of Congress at the session recently closed, when it was charged that ECA officials were not carrying out the policy of were not carrying out the policy of Congress as enunciated in the McCarran

#### Stevedoring Booklet in Demand

W. H. McGee & Co., which some time ago published a booklet entitled "Stevedoring & Cargo Safety," reports that the booklet has had an unusual reception and that there has been considerable interest in it is shown by shipping interests.

siderable interest in it is shown by shipping interests.

Among the requests for copies have been those from Curacao Harbor Corp. of Netherlands West Indies; Permanent Mission of the Federal Republic of Germany through the E.C.A.; New York port authority; U. S. navy military sea transportation service; National Association of Stevedores; Insurance Society of New York; navy transportation division and shipping interests in the Philippines.

#### Stromholt Sent to Seattle

W. H. McGee & Co. has transferred Edmund I. Stromholt from New York to Seattle, where he is serving as an underwriter and field man under C. E. Cochrane, branch manager.

### **MOTOR**

#### Commissioners Plan Study of D. C. Regulations

WASHINGTON — Set for hearing Nov. 13 before the District of Columbia Commissioners are regulations proposed to require auto dealers to make a written notarized statement before car payment terms are signed, showing among other things the cost of insurance purchased and a summary of coverage, together with finance charges, sale price of car, trade-in-allowance, terms, etc. The regulations were recommended by the D. C. license committee.

#### Snyder Heads S. F. Adjusters

Burch Snyder, Seeley & Co., was installed as president of Automobile General Adjusters Assn. of San Francisco, at the annual banquet. Emil Schmidt, Fire Association, is vice-president, and Lloyd Barrett, Aetna Fire, secretary. Mr. Snyder succeeds William Steven,

Glens Falls. More than 300 automobile adjusters from northern California attended the party.

Terry has not approved nor disapproved the deviation request of Chubb & Son.

Tornal hearing was held here Aug. 31.

Lytle Gosling & Co.

Lytle Gosling & Co.

Lytle Gosling & Co.

Utah Field Club Head Urges
Fight on Deductible Policy

SALT LAKE CITY—Lyle A. Heer,
Commercial Union, president of the Intermountain Fire Underwriters Assn., urged Salt Lake Assn. of Insurance Agents to "vigorously resist" the deviation request of Chubb & Son. A formal hearing was held here Aug. 31.

Lytle Gosling & Co.

Mr. Heer opined that the agents were "missing the boat" by not doing more to cause this application to be denied. Lower deductibles and cut rates will probably result, he stated, if the deductible is approved. All deviations in Utah are subject to review and reapproval once a year. However, once

in order to work out their mutual prob-

Harry E. Schwall has purchased back the interest of Charles E. Long in the Schwall-Long agency at Wauscon, O. Robert E. Van Fossan, who has been a solicitor for the Paige & Burns agency, Warren, O., has become a partner.

# The Case of the Flying Carpet



... has an important clue for you!

This particular carpet was an Oriental imported - and very expensive. It was stolen from the cleaner's truck, and there hasn't been a clue to who took it yet.

But there is an important clue here for you . . . to a profitable source of business you may have been overlooking.

Bailees' and Processing Risks insurance gives you a wide range of prospects today: from cleaners to converters - from bleacheries and tanneries to book-binders and electroplaters.

Wherever property is "in transit to and/or from and while waiting for or undergoing processing", there's a double opportunity for you to write this type of Inland Marine

First - you can insure the owner of the property from the time the goods leave his premises until returned, - while in transit, and while being processed at processors any-

where within the continental limits of the United States.

And second - you can insure the processor or bailee, covering the property of others while in transit to and from his plant, and while on his premises being processed.

Many of these people are unaware that this kind of coverage is available - and that means an excellent sales opportunity for you. The Fire Association or Reliance field man in your area can give you a complete list of types of businesses that have been approved as eligible for profitable Bailees' and Processing Risks insurance - and some good ideas on how to go about writing it. Get in touch with him. He's a serviceable person to know.

Head Office: 401 Walnut St., Philadelphia 6, Penna. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto, Claims and Settling Agents throughout the



#### Several Commissioners' Fate in Balance

(CONTINUED FROM PAGE 15)

it difficult for those opposing him on currently unpopular causes. By and large Mr. Downey has grown in stature with the insurance fraternity during his administration. But there are many who continue to shudder at his ultra-legislatic approach to matters and his appar-rent desire to spell out regulation in the minute detail that is characteristic for instance of freight tariff.

#### FORBES HAS YEAR TO GO

LANSING-No matter what the out-LANSING—No matter what the outcome of the gubernatorial election in Michigan Nov. 7, Commissioner David. A. Forbes is likely to continue in office for nearly a year. His current four-year term expires in October, 1951.

Mr. Forbes, who was a prominent Grand Rapids agent and a former president of Michigan Assn. of Insurance Agents, was first appointed to head the Michigan department in 1943 early in the first term of Republican Gov-

in the first term of Republican Governor Harry F. Kelly. He subsequently was reappointed by Kelly's successor, Kim Sigler, also a Republican, in 1947, and then was designated by Sigler for a full four-year term after the 1947 legislature aloned the office of incurrence. islature placed the office of insurance commissioner on a four-year term basis. Previously commissioners had served at the pleasure of the incumbent governors.

The present Democratic governor, G. Mennen Williams, defeated Sigler two years ago and now is running for reelec-tion against Kelly, who was nominated by the Republicans to seek a third term. Should Williams be reelected he pre-

Should Williams be reflected he pre-sumably would select a Democratic com-missioner for a four-year term when Forbes' term expires. If Kelly wins, however, it is considerably likely that the present commissioner would be re-appointed if he chose to remain in the

office in view of the fact that he is an original Kelly selection for the job and has made an outstanding record in the

#### NEBRASKA SITUATION

LINCOLN-There is an election of the new governor Nov. 7 in Nebraska. Incumbent Val Peterson is expected to win handily, although his Democrat op-ponent Walter Raecke of Central City,

gathering momentum.
In Nebraska the Governor's highway In Nebraska the Governor's highway (road) program is the big issue, with the farm-highway user bloc fighting the governor-Better Nebraska Association group. The two bills passed in this state in the 1949 unicameral legislature increasing the gasoline tax one cent and the motor vehicle registration fee on private passenger cars are up before the veters in a referendum vote. The private passenger cars are up before the voters in a referendum vote. The opponents (farm-road user bloc) have pulled a shenanigan by wording the petition in such a way that if the voters vote "yes" they are voting to destroy these two bills. As a consequence, there is a great movement throughout the state instructing voters to vote "no" on the ballot if they want the two bills to stay on the books, and thus more revenue for roads.

#### DEWEY AND BOHLINGER

NEW YORK—The talk in New York is that Gov. Dewey will be reelected, and if he is, that Superintendent Bohlinger will continue in that post. Mr. Bohlinger has done a good job. He has demonstrated that he has a steady hand for the guidance of the department, which is an important cog in the administrative machinery of the state and

since his appointment as superintendent, he has demonstrated both a fairness and a firmness which has earned him the votes of the isurance business and the respect of his colleagues in the state administration. He is a lawyer, one of the essential qualifications for a super-intendent in New York.

There is little or no gossip as to whom Congressman Lynch would appoint if he were elected governor. This may indicate caution or it may indicate pessimism on the part of the Democratic party as to the governorship.

#### N. I. IS CALM

TRENTON-The New Jersey political situation is calm. The gubernatorial election was held last year and won't come up for another three years. The incumbent commissioner, Warren Gaff-ney, was appointed by Gov. Driscoll about six months ago. The state senate and house are elected every other year and will not come up to bat at the polls until fall, 1951.

#### BAY STATE TALK

BOSTON-Talk in Massachusetts is that Commissioner Harrington will not be appointed by Gov. Devers, if the latter is reelected for a second term. Since many observers, including ones on the Republican side, figure that the gov-ernor will be reelected, the likelihood is that Commissioner Harrington will be replaced. Mr. Harrington has been commissioner for a great many years, during both Republican and Democratic administrations. He has strong political backing both among the general populace and in the insurance business. However, it is no secret that Gov. Devers does not favor Mr. Harrington. The feeling here appears to be a personal one that goes back to the days when the governor was attorney general and represented Canton Mutual, which was in receivership. There are several stories about what happened at that time, but the situation did apparently end up in the governor and the insurance commissioner having strong words.

One story that is circulating is that if Dever is elected by a narrow margin, there is a 50-50 chance that Mr. Harrington will be reappointed, but that if Dever gets a handsome majority a change in the insurance department is likely, with Dennis Sullivan the principal one mentioned for the post. He is now with the federal social security board. One difficulty of getting a good man to take the post is the fact that it is not over-manned, it is a heavy job, and at least Mr. Harrington knows it.

#### PA. POSSIBILITIES

HARRISBURG — A political storm center during a bitter Republican intra-party primary fight this year, the post of insurance commissioner of Pennsylvania—which now pays \$15,000 a year—presents many speculative possibilities

in the Nov. 7 elections.

One of the potent factors is that Re-One of the potent factors is that Republican gubernatorial candidate, John S. Fine, has been playing footsie with former Commissioner James F. Malone, Jr., to get additional political backing in Allegheny county where Malone was a former county Republican chairman. Gov. James H. Duff fired Malone during the primaries because he supported

ing the primaries because he supported the anti-Duff candidate for the guberna-

torial nomination, Jay Cooke, who was defeated at the polls.

Fine's friendly overtures to Malone are causing persons in the industry to wonder if he plans to return the former commissioner after election — providing the Republicans win-and the Republicans have a registration majority of nearly one million voters over the Democrats.

Incumbent Commissioner Artemas C. Leslie's term expires with the end of the Duff administration. If he continues in office positive action by Fine will be required.

Recent Republican "unity" conferences, said to be largely for the sake of finances, brought Cooke and Fine together and resulted in a list of Cooke

backers fired during the primaries who were to be returned to the state payroll as a condition to financial aid by Cooke -a multi-millionaire.

The name of former Commissioner Malone is known to be on that list, but no action has been taken to reinstate him, and it seems fairly certain that nothing will be done so far as Malone is concerned while Duff remains in

Some observers think Fine may return Malone if the voting returns from Allegheny county, and the financial contributions to the party war-chest, show that he has been actively supporting the was compared to the contribution of the contribution of

Fine has had nothing to say about the insurance post.

#### Ponder Election Effects on Condon Committee

NEW YORK-The New York state joint legislative committee on insurance

joint legislative committee on insurance rates and regulation will hold a hearing probably early in December, but fire and casualty problems this time are expected to play a minor part. Several major life insurance problems are scheduled for discussion.

The seven man committee of three senators and four assemblymen may be changed by the Nov. 7 election. If the Democrats win a majority in the senate the chairmanship of the committee will be taken from Senator Condon, Yonkers Republican, who now heads the committee. Senator Condon seems fairly sure of reelection. The Democratic senator Louis Freidman, Brooklyn, is also ligured as a good bet to win Sen. the chairman be taken from Senator Republican, who now heads the mittee. Senator Condon seems fairly numbers of reelection. The Democratic sensure of reelection. Sensure of the date of the light of the confused as a good bet to win. Sensure tor Halpern, Queens, will have more more dated Mutal, troubles than the others because of the ated Mutal, troubles than the others because of the ated Mutal, and the confused mayoralty election in New Casualty York. Straight ticket voting and local Dealers a sampalign will have a great effect on the activation of the confused mayoral election.

At least one change will take place in facturers the assembly membership on the committee regardless of how the election comes out. Assemblyman McCullough, Rye Republican, is running for state senator. This leaves his seat on the least of the leaves his seat on the leaves the senator.

Two of the remaining three assemblyman Dwyer, Democrat, of Brooklyn, is expected to be reelected.

Employee Dealers and Ity and Mutual a memorati awards; semblyman Dwyer, Democrat, of Brooklyn, is expected to be reelected.

Employee Dealers of Brookly and Mutual a memorati awards; Berkishire Liberty Casualty, and Mutual a memorati awards; Berkishire awa

Queens and he may have difficulty. Assemblyman Dwyer, Democrat, of Brooklyn, is expected to be reelected.

London Lloyds Man in U.S.

Jeremy Peyton-Jones, an underwriter at London Lloyds, has been spending several months in the Boston office of American Universal of Providence in a venture designed to facilitate the interchange of methods, ideas and office of American Universal of Providence in a venture designed to facilitate the interchange of methods, ideas and practices between the American and British markets. In all, Mr. Peyton-Jones will spend a year in America, dividing his time among the Boston, Providence and Montreal offices of the company.

Mr. Peyton-Jones is an underwriter at Lloyds on his own account on the J. E. Green marine and non-marine syndicates. As a broker, he is associated in London with Glanvill, Enthoven & Co., and since 1946 has been brokering risks in the American market at Lloyds.

Co., and since 1946 has been brokering risks in the American market at Lloyds.

#### N. D. Federation Meets

BISMARCK - More than half a million dollars in losses have been caused by fires in North Dakota since July 1 this year, Deputy State Fire caused by fires in Accordance and the property of this year. Deputy State fire Marshal Henry Handtmann told members of Insurance Federation of North Dakota at its convention here. He said there have been 327 fires in the state during that period. U. S. Senator Karl Mundt of South Dakota was the banquet speaker on "What Challenges Our Freedom?" About 400 insurance men attended.

Sloux Falls Assn. of Insurance Women had 60 members and guests in attendance at the October meeting. A film on the work of Underwriters Laboratories was shown by C. B. Burr, state agent of Aetna Fire.



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## Mutual Advertising Awards Mutual Advertising Awards mmissioner Are Given by Committee

BOSTON—A number of awards were remains in presented at the ad-sales conference sponsored by American Mutual Alliance at the annual meeting here. The ballroom of the Statler was used for the large and handsome display of every sort of insurer promotion.

The committee making the awards were composed of C. W. Morris, Christopter as M. B. Blake, BOSTON-A number of awards were

sancial conthest, show The committee making the awards
porting the
was composed of C. W. Morris, Christian Science Monitor; W B Blake,
New England Telephone & Telegraph
(Co., and R. C. Strawbridge, Dixie Raymond Inc., Boston. Following are the
awards of merit, two under each classification for casualty winners are shown. followed Casualty winners are shown, followed

casualty winners are shown, followed by the fire winners:

General periodical advertising, single advertisement, Liberty Mutual and expected and elardware Mutual Casualty; Employers utilities of three contents of the senate in the winners:

cof three contents of the senate in the winners of advertisements, and Hardware Mutual; Hardware Dealers and Hardware Mutual; Hardware Mutual Casualty; Berkshire Mutual Casualty; Mutual; Mutual; Casualty; Mutual; Mutu

ers.

House organs, policyholder and public, magazine type, Liberty Mutual and American Mutual Liability; no awards; kewspaper type, no awards; Grain Dealers and Mill Owners; employes, magazine type, Lumbermens Mutual Casualty and Texas Employers; Liberty Mutual Fire and Federated Mutual I. & H.; newspaper type, American Mutual Liability and M F A Mutual; no awards; sales representatives, magazine type, Hardware Mutual Casualty and Celina

Mutual Casualty; Northwestern and Hardware Mutual, Minn.; newspaper type, Lumbermens Mutual Casualty and Hardware Mutual Casualty; Grain Dealers and Home Mutuals.

Sales promotion for salesmen and agents, sales contests, Lumbermens Mutual Casualty; Hardware Mutual Casualty; Hardware Mutual and Hardware Dealers Mutual; special drives or campaigns, Employers Mutual Liability and Farm Bureau Mutual Automobile; Hardware Mutual and Employers Mutual Fire.

Merchandising printed material to salesmen or agents, advertising material, Hardware Mutual Casualty Company and M F A Mutual; Central Manufacturers and Northwestern; accident prevention material (loss prevention for fire), no awards; no awards.

Radio advertising, Michigan Mutual Liability; Grain Dealers and Hardware Dealers.

Television advertising, no awards, no

ers.
Television advertising, no awards, no awards.

#### Finishing Touches Put on Illinois Agents Program

The completed program has now been

released for the convention of Illinois Assn. of Insurance Agents at Springfield, Nov. 13-14. At the opening session which will be a members meeting Monday morning, there will be a report of the administration, of the treasurer, state national director and of committees and there will be a discontinuous feating.

of the administration, of the treasurer, state national director and of committees and there will be a discussion of anticoercion legislation, countersignature laws, qualification law and commissions. Speakers at the afternoon session will be Austin T. Flett of W. A. Alexander & Co., Chicago, and John T. Even, assistant western manager of Fireman's Fund, on "Meeting Mutual Competition"; W. A. Simonson, assistant western manager of Employers Liability, on "Comprehensive General Liability Contract vs. Old-time Liability Contract vs. Old-t

#### Day to Extend Greetings

At the banquet that evening, Insurance Director Day of Illinois, will extend greetings and there will be entertainment of a professional nature.

The next morning, Paul F. Courtney

of National Tax Equality Assn., will speak on "Doing Business Without Paying Taxes"; Eugene F. Gallagher, Chicago manager of Planet, on "What Do We Expect?" and Emil L. Lederer of Stewart, Keator, Kessberger & Lederer, chairman of N.A.I.A. fidelity and surety committee, on "Dishonesty Insurance—A Sales Opportunity."

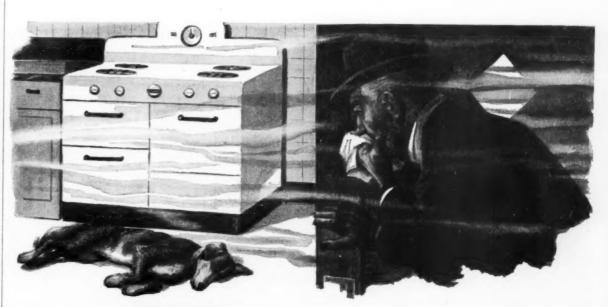
At the luncheon there will be the presentation of the first place award in the driver education program, and Wayne Guthrie, columnist of Indianapolis "News", will give a talk "Ringside at Bakini."

#### Agents' SS Status Is Topic

Oakland Assn. of Insurance Agents will hear Clifford V. Heinburger, president of California Society of Certified Public Accountants, discuss the effects of the 1950 amendments to the social security law at its lunches proving security law at its luncheon meeting

Nov. 9. He will tell how the new law affects local agents, who in the past have been exempt as "independent contractors," and are now included as of Jan. 1 as "self-employed."

The John R. Hoff agency at Des Moines has purchased the Clinton Nich-ols agency there. Mr. Nichols will con-tinue with the Hoff agency.



## THERE'S TROUBLE IN THE AIR ...

And your answer would be very important to the storekeeper who says-

"As the owner of a retail home appliance store I sell and install a gas-operated kitchen stove. After the sale is completed and the stove is installed, the purchaser returns from a social evening to find his prize dog asphyxiated because of a faulty connection in the stove. Would my

Storekeeper's Liability policy protect me if the dog owner makes claim for damages?"

Of course it would! No it wouldn't! And, if it doesn't, what policy does? This is a "toughie" so don't be too quick with your answer. You might be wrong! The answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.

CASUALTY . FIRE . MARINE

150 WILLIAM ST., NEW YORK 8, N. Y.

ROYAL-LIVERPOOL Troup ROYAL INSURANCE COMPANY, LIMITED . ROYAL INDEMNITY COMPANY . AMERICAN & FOREIGN INSURANCE COMPANY . THE BRITISH & FOREIGN MARINE INSURANCE CO., LTD. . NEWARK INSURANCE COMPANY . QUEEN INSURANCE COMPANY OF AMERICA

THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LIMITED . GLOBE INDEMNITY COMPANY . STAR INSURANCE COMPANY OF AMERICA . THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. . VIRGINIA FIRE & MARINE INSURANCE COMPANY

XUM

ges Our Women attend-film on ratories igent of

Arthur M. Clark, vice-president of National Surety has retired from active service. Vice-president Carl A. Keppler, who has previously served under Mr. Clark, will succeed him as chief fidelity and surety underwriter. He will have as his immediate assistants. Charles S. his immediate assistants Charles S. Cooper, the fidelity manager, and N. P.

Gardner, Jr., surety manager, and N. F. Gardner, Jr., surety manager.

Mr. Keppler joined National Surety in 1922 as an assistant underwriter in the contract department. In 1934 he was made manager of that department. He was elected vice-president in 1938 and cascinetal series to high underwriter in appointed assistant chief underwriter in 1946. Mr. Clark will continue as vice-

1946. Mr. Clark will continue as vice-president in a consultative capacity, es-pecially with reference to reinsurance contracts and research projects. He has been in the surety business since 1908 when he joined a title com-pany at Scranton. After field service with other companies, he joined Globe Indemnity in 1917. In 1922, he joined National Surety as assistant chairman of National Surety as assistant chairman of the underwriting board. In 1923, he was made chairman of that board and also named vice-president.

#### **Agents Score High on Exams**

In the examinations Oct. 9 at Salt Lake City, 35 new agents passed 83 of the 89 examinations. Commissioner Terry reports. A new quiz book will be ready for distribution in January and examinations thereafter will be

#### Special Levy for Building

WASHINGTON — Group Health Assn, President William E. Warne announced that 70% of the 6,700 ballots cast out of 8,000 members of the co-operative plan favored purchase of the Arlington building here for \$750,000.

This means special assessments ranging Inspection Companies Get from about \$30 for one-participant membership to \$71 for membership covering four or more persons, to meet the building's down payment cost.

#### Trieste Executives in U.S.

Two of the top European executives of General of Trieste, which recently purchased stock control of Buffalo Ins. Co., attended a meeting at Buffalo of

Co., attended a meeting at Buffalo of directors of that company.

They were Count Mario Tripcovich, vice-chairman, and Michali Sulfino, managing director. Both are members of the new board of Buffalo.

Also in attendance were Ottocaro Weiss of New York, new chairman of Buffalo and American representative of General, and Giorgio di Veroli, U.S. general manager of Commercial Bank of Italy and a new director of Buffalo. of Italy and a new director of Buffalo.

#### C.P.C.U. Course at U. of Wis.

John Maiken, insurance attorney, will instruct a class for insurance personnel on the University of Wisconsin campus at Madison, starting Oct. 27. It will cover general commercial and insurance and is intended to prepare for C.P.C.U. examinations.

#### **Insurance Institute Meets**

Insurance Institute of America will hold its annual conference Nov. 16 at the Plaza hotel, New York. During the luncheon awards will be made to prize winning students. This will be followed by the business meeting.

Insurance Women of Racine, Wis., entertained the Insurance Women of Milwaukee and Madison at a dinner. Miss Dorls Neumann showed her slides taken in Europe. Miss Virginia Larson, president, welcomed the guests. Miss Christine Sachs, president of the Milwaukee club, and Miss Elmyra Serloen, president of the Madison club, responded.

## Business on D.B.L. Claims

Inspection companies are getting some business as the result of the New York disability benefits law in the field of claim reports.

During a given year about 500,000 claims are expected under DBL in New York, most of them minor. The majority of claims are paid on proof sub-mitted by the employe, physician or employer but the inspection companies are being used on unusual cases.

Reports may be useful to the insurer when experience on a particular group goes bad, when malingering is in-dicated, where the person making the claim was unemployed at the time dis-ability commenced (there may be a question as to whether he is disabled or job hunting), when the disability may have resulted from an on the job occurrence which would put it under workmen's compensation coverage in-

workmen's compensation coverage instead of DBL, and on married women claimants, supposedly sick but who may be spring or fall housecleaning.

Normally the claimant is contacted directly. The employer is interviewed on rare occasions, perhaps with a small troublesome group. A doctor may be interviewed occasionally.

The call of a claime more or a directly the contact of the conta

The call of a claims man on a disabled person has a psychological effect on him which hastens his return if his disability is doubtful. Often a disabled claimant is found by an inspector working about the house but when interviewed he tells the investigator he will be back at work in a few days. A later check may indicate that a paint job is far from completed but the claimant is back at work perhaps fearing he might lose his job.

#### Trying to Find Insured Gems

NASHVILLE-Investigators for National Board and St. Paul F. & M. are trying to locate \$100,000 in diamonds stolen from Jacob Davis, a jewelry salesman, March 1, following conviction

of three Chicago police characters an their sentencing to 15 years each i the state penitentiary. Evidence indicated that they were first hidden near Nashville and later disposed of through an unidentified Chicago fence.

#### Kentucky Escott Hearing

Commissioner Southall of Kentucky has set a hearing on the Escott plat for Nov. 15-16. The Kentucky Inspection Bureau some time ago filed the plan but the anti-Escott plan insuren registered objections to the filing, thus making necessary a hearing.

#### Underwood to N.Y.F.I.R.O.

Kenneth R. Underwood, assistant sec retary of Eastern Underwriters Assn has joined New York Fire Insurance Rating Organization to initiate a study of stamping office procedures and other phases of agency relations with the rat ing organization.

#### Plan Women's 1951 Meeting

Truman.

A. W. Kette, local agent, has been elected president of the Y.M.C.A. at Marion, O., and E. G. Siefert, manager of Ohio State Life, vice-president,

## Analyze Storm Loss Ratio By Policy Size

Commenting on studies of the relationship of policy size in the dwelling field to loss ratio, as recently publicized in THE NATIONAL UNDERWRITER, there is a submitted to the complexities of the complexities. submitted as corroborating evidence that small sized policies return a dis-proportionately high loss ratio, analyses of certain Texas storm losses according to policy size.

For instance there is a consolidated study of storms at Austin, Goliad, Ennis and McKinney-Princeton proving that there is a definite relation between the size of the policy and the percentage of loss, and the disparity between policies of less than \$1,000 and policies of

over \$10,000 is most striking.

The exact figures, before considering deductible, are as follows:

deductione, an	C 68	20110115			
Class	No.	Amts.	Loss	Average	
		8	8	2	0%
\$1000 and less	50	41390	10728	215	25.
1001- 2,500	162	331267	41730	251	12.
2501- 5,000	229	943750	76070	332	8.
5001-10,000	133	1015590	49719	374	4.
Over 10,000	11	213000	4225	384	2.
	-			-	_

...585 2545197 182472 312 7.2 Totals ....585 2545197 182472 312 7.2 In addition here is a grand total on the distribution of losses by roof con-struction and again before considering the deductible clause:

Metal-Slate-Tile 52 

about composition roofs being worse

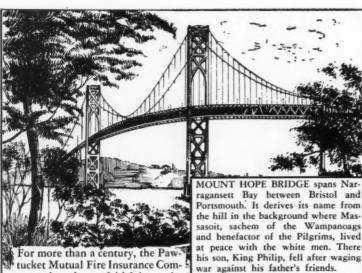
than shingle is fallacious," the officer conducting this study says. "While it is true that a composition roof is more easily damaged, the cost of repairs is very much less. If the hail is light, you will have more loss on the composition roof, but in the case of the more severe storm, the shingle roofs show the worst average. The figures for metal, slate and tile do not show up so well, but this is because Goliad has been included. Goliad had a number of large buildings with heavy metal roofs which were quite expensive to replace, and furthe such buildings were not adequately inquite expensive to replace, and furthe such buildings were not adequately insured. More than one-half the entire number of claims on this class of roof construction came from Goliad, and in order to get a true picture, we think it is proper to omit Goliad and see what the percentage is for the other three storms. We find that it is 2.6%, which to the writer's mind, definitely proves that metal, slate and tile are superior even in severe storms. even in severe storms.

The savings which accrued on account of the deductible clause were 23.2%. Under policies with the deduc-23.2%. Under poincies with the deductible clause, losses were paid amounting to \$107,315, but this sum would have been \$32,461 higher but for the operation of the clause. In the case of Go liad, a large number of policies had the old \$50 seacoast deductible clause instead of the new \$100 clause, and if we assume that the \$100 clause had been attached in each case, we find that the over-all savings amount to 27.8%. This indicates to the undersigned that the indicates to the undersigned that the clause is doing all we expected of it Bear in mind that there is no way of telling how many claims were eliminated entirely by reason of the clause.

The Insurance Women of Housto have started preparations for the 1951 convention of National Assn. of Insurance Women to be held there June 20-22. Mrs. Gertrude Cobb is general chairman with Miss Suzanne Hero as co-chairman.

#### **New FTC Member**

WASHINGTON—Stephen J. Spingarn, New York Democrat, has begung service as member of the federal trade commission, under a recess presidential appointment, as successor to the late Ewin Davis, who assumed charge of FTC insurance activities. Mr. Spingarn has been in government service since 1934, his last preceding job having been as administrative assistant to President s administrative assistant to President



pany has been faithful to its friends, the policyholders, by providing continuous dividend payments and prompt loss settlements. The picture on this advertisement and others in the series will be used on the 1951 desk calendar, copy of which may be obtained by writing to the address below.



INCORPORATED 1848

### PAWTUCKET MUTUAL

FIRE INSURANCE COMPANY 26 MAPLE STREET, PAWTUCKET, RHODE ISLAND

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Address W. Jacks Executive bonds as manager. eral agen handling Casualty Underwrit 4, Illinois

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FILING Excellent filing exp fire and informati C-35, The Blvd., Ch

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#### Approaching a car to enter it (six feet away at the time) does not constitute "while in or upon, entering or alighting" so as to give a person auto medical payments benefits when struck by another vehicle, according to District of Columhia municipal court of appeals in New Amsterdam Casualty vs. Fromer. The lower court had found against the

Fromer, the insured, testified that in the morning of Dec. 26, 1947 under icy conditions in pulling to the curb he thought he had struck another auto. He walked back and upon being told by the driver of the other car that there had not been an accident he returned to-wards his own car with the intention of

### WANT

Rates \$13 per inch per insertion—I inch mini-mum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jack-son Blvd. Individuals placing ads are requested to make payment in advance. THE NATIONAL UNDERWRITER FIRE & CASUALTY EDITION

#### ATTORNEY AVAILABLE

Presently employed. Wealth of insurance experience. Capable administrator and organizer. 45 years of age. Desires responsible Legal or Claims position. Address 8-89, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

#### AVAILABLE

A man with experience as Home Office Supervisor of Agencies desires a new connection. Address C-31, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Executive with 25 years experience all lines of bonds as special agent, underwriter, and branch manager. Former half owner full recording general agency operating in 4½ midwestern states handling all classifications Fire, Marine, and Casualty lines. Address C-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

#### WANTED

Casualty special agent for general agency in Western Ohio. Seven counties to travel. Home every night. Write giving full particulars including salary. Address C-34, The National Underwriter, 175 W. Jackson Blvd., Chicago 4. Illinois

#### FILING SUPERVISOR WANTED

Excellent opportunity for man or woman with filing experience for growing Wisconsin mutual fire and casualty companies. Give complete information, including experience, age and salary expected. Replies confidential. Address 235, the National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

#### FIELDMAN FOR ARKANSAS

Top salary for experienced man to handle fire and casualty. Prefer casualty experience. Un-usual prospects for future. Reply in strict confidence to Box C-36, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

#### AVAILABLE

Man under 40 presently employed with 20 years fire and casualty experience in Home Office, branch office and local agency desires connection as State Agent or Branch Manager with aggressive company. Excellent references. Address C-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

#### WANTED

Examiners, assistant examiners, map clerks, typ-ists and accounting trainess for fire insurance company, northwest side, Chicago. Male or fea-male. Employe benefits and advancement oppor-tunities. Give all personal details in first letter. Address C-3?, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, III.

entering it. Six feet away he was struck by another car and thrown against the

rear bumper of his own auto.

The higher court said Fromer plainly was not "entering" his auto. The most that can be said is that he was approaching the vehicle for the prospective purpose of "entering." An intent to enter does not convert an act of approaching into an act of "entering."

New Amsterdam vs. Fromer, 34 CCH

(Automobile) 1002.

#### Employers, Insurers Far Apart on Minn. W.C. Rates

ST. PAUL — Employers and representatives of insurers were far apart in their ideas on what should constitute proper 1951 compensation rates at the annual rate hearing before the Minnesota compensation insurance board. The companies proposed a 10.6% increase while the employers want a 6.9% reduc-

while the employers want a 6.9% reduction. The board, composed of Insurance Commissioner Harris, Industrial Commissioner Faricy and Edward Dahl, compensation board secretary, said the decision would be announced early in November.

Otto F. Christenson, representing the employers, charged that the insurers year after year have overestimated their premium requirements in projecting rates. He said 1949 figures show that \$14 million was collected in compensation premiums with \$8 million in insurerd losses and \$5 million allowed for expenses.

expenses.
"The most reliable sources of infor-

ane most reliable sources of information show that workmen's compensation leads all other lines of insurance in profits," he asserted.

James E. Reynolds, general manager of the rating bureau, said the rate proposal is based on higher medical and hospitalization costs ingressing indemhospitalization costs, increasing indem-nities and a desire to earn a reasonable

Profit.
E. I. Evans, consulting actuary of Columbus, O., was a witness for the

### Rate Cut of 6.3% in Okla.

A decrease of 6.3% in workmen's compensation rates has been ordered by Oklahoma insurance board, effective

Little over a year ago a 6.6% decrease was made and in the past four years reductions totaled 15.9%, although higher benefits were set up in

#### Offer H. S. Course at Austin

Sponsored by Austin (Tex.) Assn. Insurance Agents and Insurance Women of Austin, a course in various phases of insurance except life is being offered in the Austin high school. The first section, on automobile coverages, is being given by Miss Ella Smith, Texas Automobile Service Office. For the second section, on fire and allied lines, William Gam-mon, local agent, will be the instructor.

#### Phelan Bristol President

Bristol (Conn.) Assn. of Insurance Agents has elected Hubert J. Phelan president succeeding Worthing V. Snow. Other officers are Andrew M. O'Hazo, vice-president; George Helming, secre-tary, and Edward Smith, treasurer.

#### Coats & Burchard Company Appreisers

For correct coverage and proof of loss

Chicago Detreit Cleveland Indianapolis



New York Mashville Dallas Burlington, N. C.

The Pieneer Organization

# What's More Valuable



HARD to think of anything much more valuable than a shipment of gold . . .

Hard to think of a more dependable way of protecting its value than through American Foreign Insurance Association!

Through the years AFIA, through its member companies, continuously has insured gold shipments. At the start of World War II, AFIA protection rode with gold removed from New Guinea, to Australia, and thence to San Francisco. Today, gold moving from South America to the United States carries that same protection.

Not that gold-shipping is widespread business . . . the whole point is that AFIA is a specialist in handling "close-fitting" protection for American-owned properties or interests abroad-ventures of almost every conceivable kind!

Protection needs vary from business to business; country to country. But AFIA's long experience in the foreign field enables it to cope with conditions as they are-to slice through difficulties to provide sound, dependable coverage in every case.

THIS outstanding protection is available—THROUGH YOU-to the business firms and individuals in your community with interests in foreign lands. Sell this protection! Write AFIA for help on any specific risk!



## AMERICAN FOREIGN Insurance Association

80 MAIDEN LANE . NEW YORK 7, NEW YORK

CHICAGO OFFICE...Insurance Exchange Building, 175 West Jackson Bivd., Chicago 4, Illinois SAN FRANCISCO OFFICE . . . Mills Building, 220 Bush Street, San Francisco 4, California

SERVING THE WORLD-WIDE OPERATIONS OF ITS MEMBER COMPANIES, AND THEIR ASSUREDS

### Zone 2 Rejects Interstate Compact Idea

(CONTINUED FROM PAGE 1)

Bruce Crater of Raleigh, representing Atlantic Fire; S. G. Otstot of Raleigh, executive secretary of N.C. Assn. of Insurance Agents; W. H. Andrews, Jr., of Jefferson Standard; S. Linton Smith of W.N.H. Smith & Sons, Raleigh; and Harry R. Randall of Associated Insurers, Inc., Raleigh.

Mr. Harrington made an impassioned plea for about an hour and a half in favor of the resolution for a study comfavor of the resolution for a study commission on the idea of centralizing the processing of rate filings. Apparently he knew he was up against a strong states rights assemblage because he pulled out all the stops in his speech. He said that this was not his original conception but rather was the brain child of Chris Gough, the veteran deputy commissioner of New Jersey, but Mr. Harrington said that he espoused the plan enthusiastically.

Commissioner Cheek in speaking against the resolution said that although

against the resolution said that although it would merely provide for a "study commission," yet he has observed that these study commissions usually proceed to move heaven and earth to accomplish the thing that they were supposed to

There was considerable discussion of the Blue Cross and Blue Shield situa-tion with particular reference to the stock company known as Health Service Ins. Co., which is projected as a means of handling big interstate group plans. There had been a meeting just previously at Atlantic City with some

L. S. Mathews, assistant manager of Commercial Union group's New York metropolitan department, was given a surprise testimonial luncheon at which over 50 agents and company men attended. Mr. Mathews, who has been with the group 49 years, was presented with a watch.

of the Blue Cross-Blue Shield people and some of the commissioners, includ-ing Ralph Alexander, deputy commisand some of the commissioners, including Ralph Alexander, deputy commissioner of Pennsylvania and Crichton of West Virginia, It is understood that various ways of handling big group cases, particularly General Motors, were looked into at that time.

At Southern Pines some of the commissioners expressed the belief it is anomalous to have a stock company and cooperatives in the form of Blue Cross and Blue Shield in the same bed.

Pilot Life gave a cocktail party one evening and the North Carolina insur-ance companies jointly were hosts at the banquet the next night.

#### Policy on Deviations

The conference on rate regulation and supervision in its report stated that the policies of the departments in the granting of deviations were explained and discussed. A memorandum was read by R. S. Brantley of the North Carolina department setting forth suggested rules and requirements in the consideration of and granting deviations. A poll was taken to determine each department's policy in the granting of deviations with the following results:

Maryland has generally limited the amount of a deviation to expense sav-Pennsylvania has approved deviaings. Pennsylvania has approved devia-tions to new companies entering that state. Pennsylvania has granted devia-tions on the basis of loss ratios, as has Ohio, Delaware, and South Carolina. Maryland, North Carolina, and Vir-ginia have not granted deviations on the basis of loss ratios. West Virginia has made partial allowance in the amount of deviations on the basis of loss ratios. Commissioner Harrington of Massachusetts stated that his department considers both expense and loss ratios in arriving at deviations.

counsel of Allstate, urged that liberal and reasonable inter-pretations of laws relating to deviations be practiced. Ralph Alexander of Penn-sylvania recommended liberal consider-

sylvania recommended liberal consideration of underwriting policies.

It was the general consensus that at the present time insurance expense exhibit is useful as a guide only in the consideration of deviations. Commissioner Harrington civiled that much consideration of deviations. Commissioner Harrington stated that much more work needs to be done on the expense exhibit and requested cooperation of the departments with the blanks and forms committee of N.A.I.C. Robinson of Ohio, chairman of the blanks committee stated that much help is needed

mittee, stated that much help is needed toward improving the form.

William J. Heinrich, assistant secretary of National Bureau of Casualty Underwriters, stated that the bureau will, in the near future, take over malprestice. liability resternaking for the practice liability ratemaking for the various medical liability coverages. This will make available as nearly complete experience as possible for ratemaking

The St. Paul multiple coverage policy was not discussed as the company had previously withdrawn this filing temporarily in North Carolina. No interest was expressed by other departments on the subject.

#### Multiple Line Problems

Many of the problems and aspects of multiple line underwriting were dis-cussed without any definite conclusions being reached. The problems appear to be too new to permit any concrete program being formulated until more experience is available. J. Ross Moore, National Automobile Underwriters Assn., stated that much work is being done on the problem and much thought given to it by his bureau. Mr. Heinrich stated that the National Bureau has re-linquished no jurisdiction of any of their coverages involved in multiple line underwriting, and that the bureau has taken no definite action thus far. Mr. Jones of the mutual bureau stated that committee of his bureau is at work on problem and that some results should be forthcoming in the near fu-ture. Mr. McCarthy of N.A.U.A. stated that a committee of that organization is also at work.

also at work.

It was brought out that various deductibles have been filed, all with the same rate. This situation was subjected to general discussion and it was the consensus that there is no assurance from any source that the rate being charged is the right rate. The position was taken that mandatory deductibles are not looked your with favor with the are not looked upon with favor with the possible exception of windstorm deductibles. It was brought out that in some instances, full coverage policies constitute maintenance insurance rather than damage insurance.

Additional extended coverage en-dorsement-dwelling, all risks, was dis-cussed in conjunction with deductibles and the same conclusions were reached.

#### Travelers Health Case

As to the U. S. Supreme Court decision in the Travelers Health Assn. case, it was pointed out that this decision gives the states the right of process against outside companies.

Conflict between required rebuilding clause and valued policy laws was discussed. The rebuilding clause was not regarded with unanimous favor. Some criticism was made of the valued policy forms. It was pointed out that the insurance actually becomes depreciation insurance in many instances. The presence of possible moral hazards was expressed. Ambrose Kelly of the factory mutuals took the position that moral hazard is sometime, experience. hazard is sometimes exaggerated.

The following is the status of the multiple location rating plan in the departments represented at the meeting: Pennsylvania has not approved the filrennsylvania has not approved the fling, although it is possible that it will become effective under the deemer or waiting clause in the Pennsylvania law. Maryland has the plan up for hearing and has taken no action. West Virginia has taken no final action. Ohio has the plan under consideration.

lina has taken no final action on the filing. So South Carolina has disapproved in. Virginia has the plan up for

The following is the status of the Annual Renewal Plan in the departments represented: Delaware has approved the plan. Maryland has disapproved the plan. Pennsylvania has disapproved the plan. approved the plan. Pennsylvania had disapproved the annual renewal plan. The plan has not been presented in West Virginia. Virginia has disapproved the plan. The plan is not in effect in Ohio. North Carolina has the plan up for hearing on November 10 South Carolina has approved the plan

#### Brief of Brantley

Mr. Brantley's brief on deviations stated that in, the interest of standardiz-ing the procedure to be used by companies requesting permission to deviate from manual rates, the week of Sept. 18 was set aside to hear some 10 companie who were either requesting renewal of a previously approved deviation or re-questing approval of a deviation for the

first time.
As these hearings progressed, the nee for standardization became more apparent. It was also rather obvious tha standardization would only be accomplished in certain aspects due to the variations in the methods of operation of the various companies.

It does not appear that the general requirements listed below can be made of all deviating companies and save a considerable amount of time require for review of the petitions. These requirements are as follows:

1. Prepare a detailed brief that wil cite the history of the company, the states in which it operates, and review the uniqueness of its method of operation, if any, insofar as it would affect the cost of writing insurance in this the cost of writing insurance in this state. If a better than average loss experience is indicated, the company should clarify its underwriting rules which would result in such savings consistently over a period of years.

2. Prepare an exhibit showing assets and liabilities for a reasonable number of years.

of years.

3. Prepare exhibits which will sho the nationwide and North Carolina underwriting experiences of the company during the last five years, separately for each major line of insurance upon which

### THE SAFEST WAY THE INEXPENSIVE WAY

Increased prices require correction of insurance coverage. Prudent management does this with our service, uses American Continuous Appraisal Service to keep coverage in line with values.

### The AMERICAN APPRAISAL

Company

Over Fifty Years of Service OFFICES IN PRINCIPAL CITIES

Surplus Line Market

Fire and Casualty for Agents and Brokers



Narragansett INSURANCE COMPANY

OF PROVIDENCE, RHODE ISLAND

49 Westminster Street

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club wil St. John President on on the stapproved be done on both a deviated and full tariff basis before consideration of any reinsurance contract. The following breakdown should be used: Premiums et al. and the depart written, premiums earned, losses included the stapped of the expenses should be broken down in accordance with the insurance expense exhibit except that the loss adjustment expense should be broken down to show allocated and unallocated loss adjustment expenses as disapted in the plant of the plant the plant in order to prevent a delay in filing this information prior to review of their renewal.

filing this information prior to review of their renewal.

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Wis. Mutual 7

#### Wis. Mutual Assesses to Cover \$500,000 Windstorm Deficit; Asks Deductible

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TIES

Wisconsin Mutual of Madison, especially hard hit by the May 5-6 windstorm which swept through the middle western states and another storm Oct.

1. These reference of the storms arising from the storms.

1. The storms left the company with a deficit of \$500,000.

Along with assessment notices the company has sent a letter to policy-holders proposing that to prevent the likelihood of future assessments a winduld affect resembled of future assessments a windstorm deductible be attached to policies. Presenting this as a successful solution to the problem, the letter points out that in the two big storms out of 11,000 claims, 9,000 were for less than \$100. One policyholder, whose full premium was \$13, was assessed \$53.50.

#### **Brokers Chiefs Meet**

The governing committee of National Assn. of Insurance Brokers met last Pany week at New York, the principal item of discussion being developments on war projects comprehensive rating. John Langhorne was chairman, and among those present were Col. George F. Middleton, president of the association and George M. Proctor, Chicago; A. E. Woody, Baltimore, T. W. Bailey, New York, Thomas W. Sweeney, New York, The meeting was marked by the return to association affairs of Judge E. W. Sawyer, secretary and counsel, after an extended illness. The governing committee of National extended illness.

George H. Ort, executive vice-president of the New York association, reported on the progress of the war rating plan joint producers committee.

#### ets Auto Cover Requirements

The Lincoln, Neb., board of education has set up insurance requirements for private cars used to transport Lincoln students to outside towns for

school events.

Individual cars will not be approved for these trips until certificates of in-

for these trips until certificates of insurance requirements stipulating minimum liability of \$25,000/\$50,000, and minimum medical benefits of \$500 for each individual, are on file.

The board accepted the \$2,080 bid of the Downey Smith agency to provide insurance for the district's auto fleet and driver training cars. The insurance is written by Kansas City F.&M.

#### Gemuetliche Abend for Bosses

A gala Gemuetliche Abend typical of Milwaukee is planned for the annual boss' nite of insurance women of Milwaukee, which will be held at the Blatz auditorium Nov. 6 and will begin with a smorgasbord supper, followed by special entertainment. Also Nov. 25 the club will hold its holiday bazaar at St. John's Cathedral auditorium and President Christine Sachs welcomes all friends of the club.

### **CHICAGO**

W. W. Hamilton, manager of Chicago Board and of Illinois Assn. of Insurance Agents, will preside at the luncheon meeting of the insurance group of Union League Club of Chicago, Nov. 21 at which the speaker will be Dr. Robert I. Mehr, professor of economics and head of the insurance department of University of Illinois. "What Insurance Education Means to the Industry" is Dr. Mehr's topic.

#### RUSSELL KEMPER AGENCY V .- P.

Ralph K. Russell has been elected vice-president of the James S. Kemper agency of Chicago. He has been with the Kemper organization for five years.

#### FIRE ASSOCIATION MOVES

The Illinois department of Fire Association has changed its room in the Adams-Franklin building to 1475. The company will have the same phone number, Franklin 2-3254.

#### Compulsory Health Cover Still a Strong Factor

Although some 42 national health bills will die in Congress, "pressure for federal action in the health insurance field seems to be growing, although perhaps subject to interruption, should a major war develop," according to Benjamin B. Kondrick, research associate of Life In-Kendrick, research associate of Life Insurance Assn. of America, whose views are presented in a booklet entitled "American Economic Security," issued by the U.S. Chamber of Commerce.

He states that while the drive for com-He states that while the drive for compulsory national health insurance appears to have been stopped, some sort of compromise proposal could easily gather support and be adopted within a few years. Mr. Kendrick concludes, "those who believe that any legislation in the field should build upon what we already have might well offer any sugrestions, they may have without much gestions they may have without much delay."

Insurance Women of Eric, Pa., have resumed their insurance classes with a new 10-hour course. Richard Bauman, manager of American Casualty, is dis-cussion leader.

## **NEW YORK**

The Old Guard of America Fore, employes who have been with the comphoyes who have been with the company more than 25 years, held its annual dinner at New York City. Bernard M. Culver, chairman, and Frank A. Christensen, president, both members, were present. The gathering was composed of employes in the home office territory. territory.

#### AM. RE BUYS SITE

American Re-Insurance has purchased three loft buildings at 54-60 Fulton street, southwest corner of Cliff street, at New York. The seller was the Fifty-four-Sixty Fulton Street Corp.

#### Phoenix Storm Described

An eye-witness account of the recent windstorm at Phoenix, Ariz., was given by William Stevens, Glens Falls, at the meeting of Pacific Coast Fire Loss Assn. at San Francisco Oct. 17. A. H. Bonstin, New York Underwriters, presided.

# We May Not Be a Sir Walter Kaleigh



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Is a Helpful, Friendly Company

Just as Sir Walter Raleigh's knowledge of gentlemanly behavior was helpful to a damsel in distress, The Kansas City's knowledge of local agents' problems can be helpful to you. Many of our officers and directors have had years of experience in meeting these problems, and their know-how is always available to help smooth the way for you!

The Kansas City's Board of Directors is a work-

ing directorate, with youthful vigor, mature judgment and an extensive background of successful business experience. Our officers have grown up with The Kansas City and the West, and they have a keen understanding of the local agents' problems and practical needs.

Step forward with The Kansas City ... Knowing through experience ... Growing through enthusiasm.

Morton T. John

A Multiple-Line Insurance Company

KANSAS CITY Fire and Marine

INSURANCE KANSAS CITY, MISSOURI

### Wisconsin Annual Meeting Largest in Assn. History

MILWAUKEE-The annual conven-

MIEWACKEE—The annual convention of Wisconsin Assn. of Insurance Agents, held here last week, was the largest in its history with more than 600 attending the annual banquet. The association now has 1,438 agency members, representing about 5,000 agents, making it sixth in size a mong N.A.I.A. members. George nbers. George Timm of Kenosha is the new



president. Commissioner Lange, who was hon-ored at the closing luncheon, in his talk concentrated largely on what legislative proposals the department plans to put into the hopper at Madison at the 1951 session. In commenting on the recent Wisconsin \$1 million fire rate reduc-tion, he said the department started to review the fire rates in January, 1949, with the view of consolidating ex-perience by territories rather than by

classes. This, he said, was because cer- basis of value was definitely and provtain territories have the best business, which town mutuals are writing at deviated rates. The review on the ter-ritory basis justified an adjustment.

#### Berry on Cash Values

In discussing the determination of actual cash values, American Appraisal Co., Milwaukee, said that without a recent appraisal most property owners cannot prepare the inventory section of the proof of loss. It is foolish, he said, to rely on the property accounts and depreciation the property accounts and depreciation reserve accounts as the basis for determining insurable values. Whether or not audited by public accountants, property accounts are not designed to reflect insurable value, Mr. Berry said. They are designed to reflect original cost rather than current replacement costs. Frequently improvements to the property are not entered. Mr. Berry listed a number of other reasons why property accounts are useless for determining insurable values and added that they do not even furnish a satisfactory basis for the application of price trends. trends

Application of price trends to original application of price trends to original property costs is one of the most unreliable means of estimating insurable values, Mr. Berry said. Moreover, price trends themselves are usually of the broadest and most general kind and are not sufficiently refined to produce a correct result even though the original

ably established.

In commenting on construction cost indexes, Mr. Berry said when they or any other building index are applied to the original cost of a specific build-ing, there are two factors of error involved. One is the probable error in the original cost basis and the other is the factor of error involved in the applica-tion of the price trends to the specific property. Placing little faith in use of cube foot or square foot measures, Mr. Berry said these short-cut methods do not take into consideration variances in size, shape, design, quality of workmanship, and interior and exterior trim the hylidings. These factors must be buildings. These factors must be taken into account in determining their cost per square foot or per cubic foot, he said.

A resolution was passed at the final session requesting Commissioner Lange to sponsor agents' qualification and licensing laws in the 1951 legislature. Companies maintaining headquarters included Aetna Casualty. Aetna Fire.

companies maintaining headquarters included Aetna Casualty, Aetna Fire, Agricultural, American Associated, American, American Surety, Appleton & Cox, Bankers & Shippers, Bituminous Casualty, Boston and Old Colony, Chubb & Son, Continental Casualty, Commercial Union, Corroon & Reynolds, Crum & Forster, Dubuque F. & M., Employers Liability, Fidelity & Deposit, Fire Association, Fireman's Fund, Fish & Schulkamp, Great American, Hartford group, Hanover-Fulton, Home, North America, Jersey, London & Lancashire, National Fire, National Union Fire, National Surety, New Amsterdam Casualty, North Brit-ish, Pacific Fire, Providence Washing-ton, Phoenix-London, Royal Exchange, Royal-Liverpool, Sun, Travelers, and S. F. & G.

#### Tries Without Avail to Circumvent Policy Limit

An attempt by a claimant to make the \$5,000 part of 5,000/10,000 limits do double duty by paying once to the in-jured person and again to her husband consequential damages consisting medical and hospital services, etc., came to naught under a decision of Massachusetts supreme judicial court, the case being Saltzberg vs. Lumbermen's Mutual Casualty, 34 CCH (Auto-

mobile) 1013.

Mrs. Saltzberg recovered judgment against W. M. Mavrides, L. M. C.'s in-

sured, for \$6,933 and her husband got a judgment for \$3,201 for consequential damages. Lumbermen's paid \$5,000 with interest and costs but naturally decline

to pay the other judgment.

The plaintiff contended that the consequential damage to the husband is an independent injury within the meaning of the Massachusetts compulsory automobile liability insurance statute and that the accident is one "resulting in inry to . . . more than one person."

The court voiced the belief the legis-

lature did not intend that the extent of the obligation of the indemnitor should depend on the enumeration of different items of damage subordinate to the bodily injury on which its primary obli-gation is based. It is not in the event that more than one person suffers damage but it is in the event that the insured's loss is increased by reason of his liability to pay damages for bodily injuries received in one accident by more than one person that the limit of the insurer's liability is increased. The accident here resulted in injury as the term is used in the statute and the policy to only one person and the insurer is not bound to make further payments to satisfy the judgment of plaintiff.

#### Chegwidden Now Director

F. Harman Chegwidden, vice-president and treasurer of Camden Fire, has been named a director to fill the vacancy caused by the death of F. Morse Archer.

#### E. W. Baum to Hartford

Elmer W. Baum has been amed assistant comptroller of Factory Insurance Assn. succeeding E. S. Stryker who is resigning. Mr. Baum joined F.I.A. in 1939, later becoming office manager and chief accountant at Chicago, a position he held until his present appointment. he held until his present appointment. From 1924 to 1930, he was with Royal from 1930 to 1932, he was with the Mis-souri department, after which he spen six years with the Royal group casualty companies.

#### Named by Inland Mutual

Inland Mutual of Huntington, W. Va has appointed the Atlantic agency of Atlanta as general agents for Georgia Florida, and South Carolina.

The National Assn. of Insurance Women charter was presented to Miss Lucille McLean, president of the Statewille, N. C. association, at a meeting of the North Carolina association, by Miss Maggie Morris, past president of the Durham association.

### Forbes Charges Illegal Deals to Tie Up Insurance on New Buildings

LANSING, MICH. - Commissioner Forbes has issued a sharp warning to building contractors, real estate men and certain insurance agents relative to il-legal practices recently reported in the construction field, designed to tie up in-surance on completed buildings for the agencies involved.

The commissioner said department representatives are making an intensive investigation of the reported activity but that he felt "the nature of the transactions and the seriousness of their implications demand that I publicize the situation before innocent participants

are further victimized".

He said the illegal arrangement, in essence, "includes the issuance by an agent of free fire insurance binders to building contractors on buildings under construction, in return for which it is under-stood that the builder, as a condition of sale, requires that the prospective pur-chaser place his insurance coverage chaser place his insurance coverage through the agent of the builder."

#### Says Builder Accepts Rebate

By entering into such a deal, the commissioner declared, the builder "accepts a rebate as defined by Michigan Insurance statutes". This constitutes a mis-demeanor, he explained, entailing, upon conviction, a fine of up to \$100. Any in-

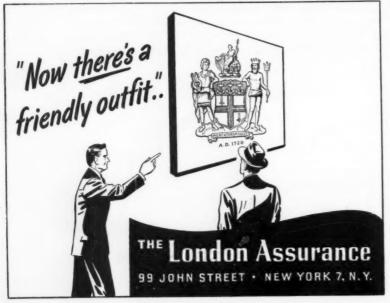
surer becoming aware of the acceptance of a rebate also is required by law, it was noted, to reduce the coverage in proportion to the amount of coverage purchasable by the sum of the rebate. In such instances, Commissioner Forbes said, the rebate constitutes the entire premium for the binder so the insurer would be forced to cancel all of the coverage. He said this situation actually has happened in the state.

The builder also becomes liable to penalties for having violated the so-called "anti-coercive" law, which pro-hibits using a credit lever to dictate the placing of insurance wth any specific agent or carrier.

The commissioner explained many contractors may have been ignor-ant of the statutory provisions involved in such arrangements but that the warning should suffice to persuade any reputable builder immediately to discontinuous practices. It was noted that, with the voluntary assent of purchasers, actual insurance policies in possession of builders may be lawfully assigned to the purchasers.

Any agent "proved to have initiated or abetted any such plan," the commissioner said, risks both license revocation and a fine or imprisonment.

1950 1910 FORTY YEARS of factual appraisal service to America's more conservative business institutions IMPARTIAL VALUATIONS FACTUAL APPRAISA INDUSTRIAL and COMMERCIAL **PROPERTY** DISTRICT OFFICES IN ALL PRINCIPAL CITIES RESPONSIBLE The loyd-thomas Co. CHENENT (8) ENGINEERS ALVEIS



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#### band got a War Jitters Drives Foreign \$5,000 with Business into the Pools

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In most instances the facilities of the individual companies have been inadespread to underwrite, service and survey the property of t

panies to divest themselves of this business for some time.

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#### KENTUCKY

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#### Hits Lynch Proposal to Overhaul TDB Law in N. Y.

Commerce & Industry Assn, of New York has informed Rep. Walter A. Lynch, Democratic candidate for governor, that it is unalterably opposed to his proposals, expressed in a Buffalo speech, to repeal the disability benefits law and have it "geared to the unemployment insurance program" and to eliminate the tax credit system in unemployment insurance.

In a letter to Mr. Lynch, Executive Vice-president Thomas Jefferson Miley said the State Federation of Labor and the association, in cooperation with

said the State Federation of Labor and the association, in cooperation with other business and civic groups, had sponsored the disability benefits law. "You stated that the worker bears practically the entire cost of this program," he wrote. "You must be thinking of the disability benefits laws in the other states which are geared to unemployment compensation.

ployment compensation.
"In two of the three states in which "In two of the three states in which the disability benefits program is geared to unemployment compensation, employes pay the full cost. In the third state they are required by law to contribute to the state fund a higher proportion of the total than is required under the New York law. Yet, you propose to tie on the disability benefits program in this state as the tail of unemployment compensation, "Unemployment compensation, as you

employment compensation.
"Unemployment compensation, as you know, has its budget controlled by the federal government. Do you advocate, then, that the federal government, through its device of handling the pursestrings, is to control the administration, benefits and operations of New York's disability benefits law? You would thereby permit the social planners to federalize a purely state-operated social thereby permit the social planners to federalize a purely state-operated social insurance program."

#### Assessments Are Lower

The annual meeting of Indiana automobile assigned risk plan is being held at Indianapolis Nov. 13. Six members of the governing committee will be

elected.

John D. Pearson, the manager has sent to members an audit of the Indiana Bureau of Motor Vehicles, that was prepared at the request of the assigned risk plan for the fiscal year ended June 30. The distributable expense to be assessed against insurance companies for the fiscal year ended June 30, 1950, is \$131,298, which is a decrease of \$108,917 from the previous comparable period.

comparable period.

The auto bodily injury premiums written under the assigned risk plan in 1949 were \$31,208 and losses incurred were \$14,039. The property damage premiums were \$20,171 and losses incurred. curred \$18,410.

#### National Pays 10% Bonus

HARTFORD — National Fire will give a 10% bonus to its 1,500 salaried employes payable Nov. 1. There is a limit of \$500 to a person.

National Fire is the fifth Hartford insurance company to announce wage increases or bonuses this month. Aetna Fire and Connecticut Mutual increased wages 10%, Phoenix Mutual 5%, and Connecticut General promised individual merit wage increases. merit wage increases.

#### Wolfe to Aetna in Ohio

George Wolfe, rate analyst of Ohio insurance department, has joined Aetna Fire to travel in the Ohio field. R. C. Trautman succeeds him in the department.

The Indiana department has given approval to the two-page automobile collision symbol section of Hoosierland Rating Bureau as of Nov. 1. This is similar to the symbol section approved last June for use in Illinois by Illinois Rating Bureau. Rating Bureau.



One in five of your clients will buy life insurance in the next year. You can earn the substantial commissions this business

the substantial commissions this business will bring. But you must be equipped with the right selling tools.

Many of your clients will be glad to buy life insurance from you if you give them the opportunity—if you know which ones are interested. You don't need to see all your clients to serve their life insurance needs. The Connecticut Mutual's direct mail plan finds out for you which ones are interested, and gets leads that give you a interested, and gets leads that give you a good reason for calling and talking life

insurance. The Connecticut Mutual will supply visual selling material that will help you present the subject clearly and convincingly.

vincingly. For many years this progressive, century-old company has worked closely with thousands of fire-casualty agents and brokers through its 80 General Agents throughout the country. The General Agent near you is familiar with conditions to your companying. The many fire-casualty in your community. The many fire-casualty men who represent The Connecticut Mutual add materially to their incomes by giving life insurance service.

#### AND SURVEY FORM FREE PLAN BOOKLET

The booklet "A Tested Method for Securing Life Insurance Commissions" was prepared specifically for fire-casualty men. It tells how to select and classify life insurance prospects from your list of clients, and shows how to interest them in your life insurance service. our life insurance service.

The simplified survey form helps you, when talking with a client, to easily shift

from the subject of lines you have always sold to life insurance. It includes most personal and residential fire and casualty

personal and residential fire and casualty lines as well as life insurance.

Send, today, for your free copies of the booklet and the survey form. You won't be obligated in the slightest, and sending for them may lead to real additions to your commissions.

### The Connecticut Mutual LIFE INSURANCE COMPANY · Hartford



NU 11-0



CONNECTICUT MUTUAL LIFE INSURANCE COMPANY Hartford, Connecticut

I am interested in selling life insurance so please send me, free and with no obligation on my part, your booklet." A Tested Method for Securing Life Insurance Commissions" and a sample of your survey form, "Have You Checked Bath Walls Recently?"

7one\_\_\_State\_\_

XUM

Claude W. Houghton has been ap-pointed Spokane manager of Stuart G Thompson-Elwell Co., Seattle general agents. Mr. Houghton, who was in the bond department of General Casualty, succeeds Don Morton, who has become a partner in the Spokane local agency of Moloney & O'Neill.

#### R. E. Wallace Now Veep

Robert E. Wallace has been elected vice-president of U. S. Guarantee in charge of Pacific Coast offices. He is a member of Chubb & Son and at present is manager of the Pacific Coast department. He is also vice-president of Federal and Vigilant.

#### D. C. Rating Bureau Elects

WASHINGTON - At the annual meeting of Insurance Rating Bureau of District of Columbia, the following were elected to the governing committee: National Capital, D.C.; National Fire,

Houghton Spokane Manager
Claude W. Houghton has been appointed Spokane represent G. Street G. Action will be taken later on the resignation of the control o

nation of Walter Bastian as counsel to become a federal district judge, if his appointment is confirmed by the Senate.

The governing committee elected R. W. Criswell, Hartford, chairman and Lincoln M. Michel, Fire Association, vice-chairman. It also appointed the following executive committee: Chair-James H. Shannon, Northwestern onal; vice-chairman, P. Norman National; vice-chairman, P. Norman Fenton, Home; R. K. Davis, Jr., Hart-ford Fire; R. Edward Early, National Capital; V. Manning Hoffman, Fireford Fire; R. Edward Early, National Capital; V. Manning Hoffman, Firemen's of D.C. and Georgetown; Raymond C. Karge, Continental; William C. Noell, Mutual Fire of D.C.; Douglas R. Phillips, Potomac; William B. Ragsdale, Great American.

#### O'Connor Bolsters UCD Opposition

Edward H. O'Connor, managing director of Insurance Economics Society, has been spending the past two weeks visiting various cities in Washington de-

livering addresses against the unemployment compensation disability referendum which will be voted upon in the general election Nov. 7.

#### Promote Beggs at Houston

General Adjustment Bureau has promoted Ray Beggs to general adjuster in the Houston office, and A. R. Marlow to branch manager there.

#### To Hear Department Men

The Nov. 14 meeting of Ohio Fire Underwriters Assn. will be featured by a panel, in which Superintendent Robinson, Warden L. U. Jeffries and other members of the Ohio department

Staff will take part.

A committee will be appointed to keep in touch with Ohio field men who are called into service.

United General Agency of Seattle, fire affiliate of United Pacific, has been appointed fire and inland marine general agent for Birmingham Fire of Pennsylvania and Franklin National.

## Company Employes Given

A clipsheet service for personnel directors of stock fire companies has been developed by National Board, to help them supply company employes with facts about fire insurance.

W. Robbins, director of employe in-formation of National Board, in con-sultation with representatives of mem-

ber companies.

Typical subjects discussed in the clip sheets are the catastrophe plan, jobs available in the property insurance field available in the property insurance field, the development of automobile insurance, the work of the arson squad of the National Board in tracking down frebugs, and the success of the fire insurance business in maintaining low rates during the present inflationary period.

Material is used by companies in their house organs, reprinted for direct dis-tribution to employes, posted on bul-letin boards, and distributed with par

Copies are available from National Board, 85 John street, New York.

#### Up St. Paul Salaries 5%

#### New Okla. Fire Insurer

N.A.T.A. Fire of Oklahoma City

#### Homeland Names Hoffman & Co.

The annual dinner of the Insurance Accountants Assn. will be held Dec. 8 at New York. At the last meeting President J. M. Donovan, Travelers Fire, commented on studies being made by many companies of microfilming of records for safe keeping and for space saving.

Robert Brown, president of Man towoc (Wis.) Insurance Board, has a

Mrs. Eleanor Sage, Webb Woodward agency, Topeka, president of National Assn. Insurance Women, which held its executive board meeting at Topeka Oct. 14-15, was flooded with a birthday card shower for her birthday Oct. 13.

I. C. Forney, Newton Finance & Investment Co. has been named secretary of the Newton (Kan.) Insurance Board.

Kansas Fire Prevention Assn. will inspect Emporia Nov. 14-15.

Since 1908 . . . The Original Insurance Law List

## Data on Fire Insurance

certainl ualty fi COV The clipsheets are prepared by Elliott

Employes of the St. Paul group have been informed that their salaries are to be incerased 5%.

has been incorporated with authorized has been incorporated with authorized capital of \$250,000. It is wholly owned by the group that recently organized N.A.T.A. Casualty with the same official staff and the same financial backing. J. Paul Tedford is president; J. C. Miller secretary, and Leonard Savage, counsel. The company expects to begin writing business by Dec. 1.

Homeland Names Hollman & Co.

Homeland of the North British group has appointed R. S. Hoffman & Co. agents at 89 Broad street, Boston. Theodore F. Hoffman is president of the Hoffman general agency, succeeding his father, the late Robert S. Hoffman, Mr. Hoffman is vice-president of the Boston Board. Henry Hoffman, now treasurer of the general agency, has been connected with the R. S. Hoffman & Co. office since 1940.

#### Accountants' Dinner Dec. 8

#### Manitowoc Seeks Lower Rates

pointed a special committee to explore the feasibility of an inspection of fire fighting and protection facilities with a view of obtaining lower fire insurance rates. The present classification was made in 1941.

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INSURED . NOT INSURED

One of the most ambitious market surveys ever undertaken in any field, and certainly the most extensive in the casualty field, is now yielding sales infor-

NUMBER OF PERSONS QUESTIONED: 21,487

COMPREHENSIVE DISHONESTY DISAPPEARANCE AND DESTRUCTION

MONEY & SECURITIES -- BROAD FORM

MESSENGER ROBBERY

BURGLARY

ROBBERY

PUBLIC

LIABILITY

OPEN STOCK BURGLARY

mation of great interest and value to Hartford Accident, which sponsored the

Hartford Accident, which sponsored the project, and its agents.

The survey, launched Feb. 1 and completed in four months through 3,183 Hartford agencies throughout the United States, reached 44,618 insurance buyers and produced revealing data on how widely the principal forms of casualty insurance are now carried.

Data compiled through contacts with 23,131 individuals who were questioned on their personal insurance holdings and 21,487 business proprietors and managers who supplied details on their business insurance purchases are graphically

ness insurance purchases are graphically

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produced herewith provides a comprehensive showing of the extent to which the principal casualty coverages in the personal and business insurance fields have been sold, and the extent of the markets remaining for their further development.

velopment.

Subsequent chart releases will show the comparative extent to which markets for these coverages have been sold, or are undeveloped, in the main geographical divisions of the nation; insurance holdings in various occupational groups, and the extent and kinds of insurance received the second protection in force among various trade and business groups.

SURVEY RESULTS

### Stumpf Reports on What A. & H. **Agents Want**

In his talk at the underwriting committee meeting of Health & Accident Underwriters Conference at Omaha, C. B. Stumpf, Illinois Mutual Casualty, Madison, Wis., reported on a survey he has conducted among agents, general agents and managers on the relationships of company home offices and agents.

ships of company home offices and agents.

Mr. Stumpf, who is board chairman of International Assn. of A. & H. Underwriters, said he received replies from more than 95% of those polled, and the answers proved to him that there has been substantial progress made in A. & H. in the last few years, not only from the standpoint of coverages, but in the company-agent relationship. In all the replies he received, Mr. Stumpf said there was no negative thinking.

The agent, he said, is interested in doing a better job of underwriting and is eager to obtain the knowledge of how to do it. He realizes his obligation as a field underwriter and the only stum-

a field underwriter and the only stum-bling block is his lack of definite infor-

mation.

He added that it must be taken into consideration that suggestions in the survey came from different types of agents representing all kinds of companies. Some write A. & H. only, others write accident, health, and life, while others write all lines.

Taking at the bicate in the order.

Taking up the subjects in the order of their importance as presented by the

agents, Mr. Stumpf said that first is correspondence with the agent regarding waivers and other matters.

It is felt that the average letter writ-

It is felt that the average letter written to agents by underwriters is impersonal and written with the thought in mind that the agent knows as much about underwriting as the man in the home office, Mr. Stumpf said. In many cases mimeographed letters, stereotyped forms are used. If the underwriter had some field experience or made personal contacts in the field, the attitude would be changed.

Declination of Applications

On the subject of declinations of application, Mr. Stumpf said probably there should never be a declination by a home office underwriter. There might be an exception, but if the agent is properly trained he should not submit an application that will be declined. He added that it is much better from a public relations standpoint for the agent to tell the applicant that he cannot get him any coverage, at least temporarily, him any coverage, at least temporarily, until the situation which makes him uninsurable is corrected.

Mr. Stumpf listed without comment

Mr. Stumpf listed without comment the suggestions of agents on improvement of application forms. They included requests for continued efforts at simplification; authorization blank attached to application; where information is wanted, leave sufficient space to write the information in; have an application on which any form of accident, health or hospital and surgical coverage can be written. This was a common suggestion, he said, the agents feeling that there are too many applications for different coverages. different coverages.

Among the other suggestions sub-mitted by the agents were: That the underwriting committee seriously con-

sider the idea that any impairment can

sider the idea that any impairment can be covered—that there is a premium that can be charged. Even though it may be too high to sell, it gives the public the feeling that the industry is aggressive and willing.

Every agent should be notified two or three weeks in advance of any change in company underwriting procedure with a full explanation for the change. Mr. Stumpf said this would make the agent feel he is a part of the organization and not some one to be dictated to.

Another recommendation was that un-

not some one to be dictated to.

Another recommendation was that underwriting and claim departments be separate. If together or under the same supervision, the underwriter, if he is a claim man, is influenced periodically because of the present claim situation. For example, claim department may have two or three claims for adhesions as a result of appendectomies. The application comes in showing the applicant had an appendectomy. As a result of the recent adhesions claims, the policy is issued with a waiver for adhesions. Since this is not a normal procedure of the company, the agent is put on the spot without notice and relations for a time can be strained and the agent is confused.

Mr. Stumpf commented on cancellation practices, saying that this is a situation that has greatly improved over that of a few years ago.

### Resentment Grows **Against Flat Rate**

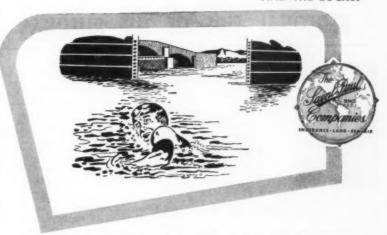
BOSTON—Resentment against the flat rate for compulsory auto insurance is still building up all over the state outside the 21 greater Boston communities which would benefit, E. F. Connelly, Boston attorney told a general session of National Assn. of Mutual Insurance Companies bars.

of National Assn. of Mutual Insurance Companies here.
Editorial columns, letters to editors and news in practically all out-of-town papers call the flat rate extortion, subsidy for reckless driving, sop for the irresponsible, etc. It would drain \$4 to \$5 million from car owners in 330 Massachusetts communities every year to benefit car owners in 21 cities and towns whose drivers cause more accidents and whose drivers cause more accidents and therefore have above average rates.

therefore have above average rates. A plan which would reward the individual driver rather than the safe driving community has been suggested, he said, but there are many practical problems such as cost of administration. Also to reward the accident free driver the driver involved in an accident must be penalized so much as to make his insurance prohibitive. There would be reluctance to report accidents. Record work would be enormous.

# FASCINATING FIRST FACTS!

THE "S. S. RICHARD HALLIBURTON" . . . first SWIMMER to go through the Panama Canal AND THE LOCKS!



Billed as the "S. S. Richard Halliburton", this professional adventurer took 8 days to swim through the Canal, staying on shore each night. At 140 pounds, he paid a lock toll charge "according to his tonnage" of 36¢. Can you imagine the audacity of the man? Can you imagine having 6 sets of giant steel gates, some 70 feet high, 70 feet wide, 7 feet thick, weighing 800,000 pounds-opened just so you could float through while ocean liners waited?

Nothing is impossible. If you have the initiative, the St. Paul can open the gates for you!

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### EDITORIAL COMMENT

### Why Go to a Convention?

conventions? This is not an easy questend. We could find part of the answer, perhaps, by talking with one who doesn't go-who has the money, can take the time, can safely leave (or take along) his wife, but simply decides not to go, or doesn't think of it at all. Why not?

At so many meetings one of the faithful will lambast those that didn't come. This is fine for relieving righteous indignation but it doesn't do much persuading of those that didn't hear it.

One agent said he always got an idea at a meeting but couldn't specify what kind or give an example. Talking with company presidents and vice-presidents in convention atmosphere, he emphasized, makes it vastly simpler to do business later when a quick decision has to be secured.

that go, do so because they like people. At conventions they reach common ground they can share in an atmosphere of good will, and do so, of course, much . tion with the leaders in it. more quickly with people in their own business than they could with doctors or plumbers or storekeepers.

They believe there are other fine fellows who are trying to do a good job and trying to get a little better at it as and from his business because he goes.

What do agents get out of attending they go along, who are anxious to get some fun out of it. Convention experition to answer, even for those that at- ences prove to them there are such people in the business.

> There is much practical matter exhibited at a gathering of this sort-review of legislation, joint action to get results from companies and rating bureaus, improvement in skills through education, bettering of attitude through expression of opinion. Good talks by specialists add to the listener's skill or inspiration. While listening the agent may suddenly realize that George Blank is a prospect for this kind of insurance

Frankly, no one knows all of the practical good an agent can get from a local board, state or national agents' meeting. If complete, it would be an imposing list. But if he got none of these things, it would still be worth Probably this agent, and most others while to become reimbued with the common humanity of the business and the multiple high standards of its functioning and purpose that come from associa-

> The agent who doesn't attend has a perfect right to stay home. It is doubtful if the attender is justified in telling him off for doing so. But the attender, by and large, is getting more out of life

setup. He was one of the key figures setup. He was one of the key ngures in handling loss claims following the Houston hurricane of 1943, the San Antonio hail storm of 1946 and the Texas City disaster of 1947.

Merrill K. Davis, executive secretary of Utah Assn. of Insurance Agents, is a candidate for a third term in the lower house of the Utah legislature at the election New 7 the election Nov. 7.

the election Nov. 7.

John Carlson, Western Adjustment, Sioux Falls, South Dakota, a captain in the infantry reserve, has been called back to duty at Washington, D. C. He moved to Sioux Falls, several months ago after serving as resident adjuster at Watertown, S. D., since his release from service. He is the first member of Dakota Blue Goose to be called to Dakota Blue Goose to be called to active duty.

C. Clarence Neslen, president of National Assn. of Insurance Commissioners in 1938, and Utah commissioner 1937-1941, is the Democratic candidate for assessor of Salt Lake county.

T. A. Pettigrew, president of Underwriters Adjusting of Chicago, is going to devote himself for the next few months to adjusting Florida hurricane losses. He will report to G.A.B. headquarters at Miami Monday, Mr. Petti-grew has a home at that city and cus-tomarily is there throughout most of the winter. Shrubbery damage to his own home was extensive, but his building loss will be less than the \$100 de-ductible. He has arranged to have a number of Underwriters Adjusting men go to Florida to assist G.A.B.

P. Warren Smith of Chicago, vice-president of Paramount Fire, attended the meeting of California Assn. of Insurance Agents with John Mylod, president of Pacific National Fire. He is on a trip to the Pacific northwest.

R. S. Buddy, vice-president of Glens Falls, visited the Indianapolis state agency and local agents there this week.

Davenport Insurance Corp., Richmond, Va., is celebrating its 102nd birthday. It was formed in 1848 by Charles Wortham, who was joined in 1861 by Isaac Davenport, Jr., under the name of Davenport & Co. W. Owen name of Davenport & Co. W. Owen Wilson, now chairman and for many years active head of the agency, is a former president of N.A.I.A.

Harry R. C. Hickey, vice-president at Brooklyn of Fidelity & Deposit, has been Brooklyn of Fidelity & Deposit, has been elected to the board of the Brooklyn Baseball Club and its real estate adjunct. He replaces Branch Rickey, resigned president of the Brooklyn Dodgers, who also has an insurance connection in that he is a director of Guardian Life.

C. M. Cartwright, editor emeritus of THE NATIONAL UNDERWRITER, marks his eighty first birthday at his home at 2215 Lincoln street, Evanston, Ill., Nov. 12. He is completely blind but he is interested in keeping up with insurance activities and enjoys hearing from old

#### To Build at Clayton, Mo.

The Ploeser-Watts & Co. agency will erect a \$200,000 building in Clayton, Mo., St. Louis suburb.

The agency will occupy about 2,050 square feet of the first floor of the new building and the remainder will be available for lease.

### **DEATHS**

Raymond Waldron, vice-president of Detroit Fire & Marine of the Great American group, died Wednesday morn-American group, died Wednesday morning at his farm home at Buchanan, Mich. He became ill while attending the W.U.A. meeting at White Sulphur in September and failed rapidly since then. His age was 69. He was one of the best known and most popular are insurance executives in the west.

JOHN M. MURPHY, 79, Cook county special agent for Spring-field F. & M., died in the Evanston hos-pital. Mr. Murphy suffered a broken hip in a fall at his home in Wilmette, Ill, and died as a result of the resetting operation. Mr. Murphy had been with the company for 60 years until his retirement five years ago. In his earlier days he had headed the supply and printing department for the Chicago office and 1915 had entered the Cook county

EDWARD M. GRIFFIN, 59, a hom office supervisor of engineering for Employers Liability, died following Employers Liability, died following a short illness. He was well-known in insurance and safety circles for his work with National Safety Council and Massachusetts Safety Council.

At one time Mr. Griffin, who joined Employers in 1933 at Chicago, headed the special risk department until it was consolidated with other departments.

the special risk department until it was consolidated with other departments, although he continued to handle this work after the merger. Before 1933 ht was manager for Car & General at Detroit for several years.

ELMER L. ENGELHARD, 51, underwriter with Engelhard-Krogman & Co., Chicago, died at Michael Rees basnital following a heart attack Ht

hospital following a heart attack. hospital following a heart attack. He had formerly been with the underwriing department of National Fire and later was in charge of the insurance department of American Bond & Mortgage Co. He had been with Engelhard-Krogman for about 15 years.

JOHN J. LEMAN, 54, of Leman, Fathman & Shane, general agents for the credit insurance department of London Guarantee and Phoenix Indemnity, died at Cleveland.

demnity, died at Cleveland.

P. J. CULLEN, who succeeded Hugh Tollack as head of the rating division of the Minnesota department and who had been there seven years, died at St. Paul.

WALTER J. FELDMAN, 51, who had been an independent adjuster at Chicago for many years, died of a heart attack at his home. He had moved into ck at his home. He had moved into offices of Colford & Haase, independent adjusters, only a month ago. He started in the business with Fire-men's of Newark and later went with Wagner & Glidden and was there for 24 years before going out on his own.

J. E. CHITTENDEN, 71, retired Kentucky state agent of North America, died at his home at Louisville after a long period of poor health. He had been retired since 1946. Mr. Chittenden entered insurance as a local agent at Marion, Ky., in 1900, later becoming

## PERSONAL SIDE OF THE BUSINESS



Edward F. Holloran, staff adjuster of Hartford Fire, recently elected president of Minnesota Fire Underwriters Assn., is the first adjuster to head the associ-ation since it was organized.

Following a meeting held in the Insurance Exchange building, Chicago, it was announced that a committee of Illinois insurance men has been organized to promote the candidacy of E. M. Dirksen for U. S. Senator from Illinois. Chairman of the committee is Andrew J. Helmick, resident vice-president of Peerless Casualty and the executive

committee of the group consists of

committee of the group consists of Walter Sheldon, Homer Gwinn, Howard Mankin, Wade Fetzer, Jr., Mrs. John Joseph Ryan, Ray J. Pfordresher, L. R. MacNicholas, Guy Fergason, Harve G. Badgerow. Thomas C. Anderson, Thomas Coen, Otto Schwartz, Dave

Tressler and Thor L. Swanson.

R. B. Evans of Batavia, Illinois special agent of Northwestern National, recalls that he appointed Mr. Dirksen as an agent for Northwestern National at Pekin, Ill., on July 8, 1924. At that time Mr. Evans recalled, Mr. Dirksen took over the insurance business of the Carver Insurance Agency. Mr. Dirksen married the daughter of Mr. Carver and the agency was transferred to Mr. Dirksen at the time of Mr. Carver's death.
The agency was discontinued Aug. 6,

Joseph F. Schweer, secretary Cincinnati Fire Underwriters Assn., is in Good Samaritan Hospital in that city for ob-

W. H. Burhop, executive vice-president of Employers Mutuals of Wausau, has been reelected president of Wisconsin State Chamber of Commerce. He has been active in the organization for more than 10 years.

George W. Hanway, widely known independent adjuster of Dallas, has gone to Miami on the request of Donald B. Sherwood, general adjuster of National Board, to handle adjustment of hurricane losses under the catastrophe plan

#### NATIONAL UNDERWRI TER

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rating commissioner for the Kentucky Board of Fire Underwriters and then Board of Fire Underwriters and then for Kentucky Inspection Bureau. In 1912 he became Kentucky special agent for Pennsylvania Fire, subsequently taking a similar position with Fire Association. He then joined North America. During his long years in the field he served as president of Kentucky Fire Underwriters Assn., Kentucky Fire Prevention Assn., and was past most loyal gander of Kentucky Blue Goose. For several years he edited the Kentucky Honk, the Blue Goose paper. A brother, Herbert E. Chittenden, is resident secretary of Home at Columbus, O., and a son, James D. Chittenden, is a local agent at Dayton, O. at Dayton, O.

at Dayton, O.

HENRY M. ZWEIG, 78, president the Zweig-Smith general agency in New York City until his retirement in 1938, died in a New York hospital. He had been in the business 30 years when he retired. A native of Cincinnati, he was an officer in the Spanish-American war.

ROBERT M. SIMMONDS, 53, Tennessee state agent of Royal-Liverpool, died unexpectedly at St. Thomas hospital, Nashville. Mr. Simmonds had been with Royal for 31 years. He was a past most loyal gander of Tennessee Blue Goose and a graduate of University of Tennessee. sity of Tennessee.

sity of Tennessee.

G. FRANK WILSON, 67, Newton, Ia., local agent, died at Kenora, Ont., of a gunshot wound suffered while deer hunting. He was accidentally shot through the stomach by a member of his hunting party who mistook him for a deer. He was a partner in the Wilson & O'Brien insurance agency at Newton and had been in the insurance business there for 26 years. been in the for 26 years.

MRS. BEULAH R. HALL, local agent at Hominy, Okla., died there. She assumed management of the agency about six weeks ago when her husband, Leander Hall, died.

der Hall, died.

GEORGE HOUGHTON, 68, recently retired after 26 years with North America, died in Bryn Mawr Hospital.

WILLIAM HOGARTH, 60, who for some time had been in the home office claims department of Continental Castalty, died at Chicago. Before joining

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**HARTFORD** 

HARTFORD POLICY

-to act courteously

—to show a sincere

desire to please-

at all times and under all circumstances.

HARTFORD

FIRE INSURANCE COMPANY

ACCIDENT and INDEMNITY COMPANY LIVE STOCK INSURANCE COMPANY

Hartford 15, Connecticut

-to deal fairly

WILLIAM C. GORMLEY, 50, local agent at Waukesha, Wis., died suddenly of a heart attack. He had lived at Milwaukee before going to Waukesha about

M. E. DUMAS, 68, Plains, Tex., local agent since 1930, died at a Brownfield, Tex., hospital.

#### Association Policy Kit in Big Demand by Teachers

A specially designed kit of 16 commonly used policy and bond forms and related material has been prepared by Assn. of Casualty & Surety Companies for the use of students in casualty and surety courses at the request of college and university teachers of insurance.

Demand for the model kit has been so great since distribution for fall insurance courses began that the original order of 3,000 kits has been doubled to meet a flood of requests. Prepared as a contribution to the cause of sound insurance education, the kit is the first of its kind offering for study actual cases in a mythical company.

As a public service, the association is making the kit available without charge to all students enrolled in casualty and surety courses for college credit; advanced casualty and surety courses in qualified independent insurance schools, and C.P.C.U. study groups.

Many requests for the material also were received from member and nonmember companies which maintain schools for training agents. The association decided that kits would be provided for all such schools at cost, which is \$1.00 per kit.

vided for all such schools at cost, which is \$1.00 per kit.

The kit was prepared by the public relations department with the assistance of Dr. Harry J. Loman, dean of the American Institute, and Richard E. Farrer, former educational director of National Assn. of Insurance Agents and now director of education of National Fire.

In addition to the policy forms, the kit includes two articles on accident pre-

#### Ohio Adjusters First Meet

COLUMBUS—Ohio Assn. of Independent Insurance Adjusters held its first meeting since its organization last spring at a luncheon here during the meeting of Ohio Assn. of Insurance Agents. H. E. Ellizon, Toledo, is president, and J. W. Jones, Cleveland, is secretary. The group held a cocktail party in the afternoon for adjusters, agents and company men.

### STOCKS

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Aetna Fire 2.20*	59 61
Aetna Life 2.50	57 581/2
American Alliance 1.20	24 25
American Auto 2.00 American (N. J.)	45 1/4 47 1/2
American (N. J.)	20 1/2 21 1/2
American Surety 3.00	62 64
Boston 2.40	60 1/2 62 1/2
Camden Fire 1.15*	21 % 22 %
Continental Casualty, 2.50*	66 1/2 68
Fire Association 2.60	60 62
Fireman's Fund 2.60	94 96
Firemen's (N. J.)70	20 21
Glens Falls 2.20*	50 52
Globe & Republic50	12 13
Great American Fire, 1,30*	30 1/4 32
Fireman's Fund	33 34 1/4
Hartford Fire 3.00*	129 131
Home (N. Y.) 1.60	34 1/6 35 1/6
Ins. Co. of North Am. 3.50*	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
Maryland Casualty80	181/6 191/6
Mass. Bonding 1.60	
National Casualty 1.50°	34 1/4 Bid
National Fire 250*	57 60
National Union 160	33 35
National Fire 2.50* National Union 1.60 New Amsterdam Cas. 1.50	33 35 38 40 43 44 ½ 26 27
New Hampshire 2.20	43 44 1/2
North River 1.20	26 27
Ohio Casualty 1.20	65 Bid
Phoenix, Conn 3.00°	
Preferred Accident	3 16 4 14
Prov. Wash 1.40	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
St. Paul F. & M 3.00*	105 108
Security Conn 180*	33 35
Security, Conn 1.80* Springfield F. & M 2.00	44 46
Standard Accident 1.60	33 35
Travelers12.00	463 470
I S F & C 200	48 50
U. S. F. & G 2.00 U. S. Fire 2.00	66 68
U. D. FILE 2.00	00 08

#### \*Includes extras.

#### Continental Casualty, Mr. Hogarth had been with Mutual Benefit H. & A. and Washington National. to Flood; No Recovery

Sun Underwriters has been absolved of liability for the loss by drowning of some 4,100 chickens on the ground that the water which came into the chicken houses consisted of surface waters and not of a flood. The policy insured among other things against "flood (meaning the rising of natural bodies of water)." The case was Sun Underwriters vs. Bunkley et al. The decision was given by Texas court of civil appeals.

Bunkley was in the chicken raising business east of Fort Worth. On May 17, 1949, in the course of a heavy rain, water ran into two chicken houses and drowned 2,271 five-week old chickens. During the night of May 22 during another heavy rain there were lost 1,505 seven-week old chickens in another house.

The trial court gave a judgment to the assured for \$1,710.

The higher court emphasized that the policy did not insure against any and every damage that might be caused by water. It was limited to damage caused by flood. The court expressed the belief that the water that ran into the chicken houses cannot be regarded as a flood

either under the generally accepted definitions of the term flood or under the definition of the term which appears in the policy in the parenthetical phrase following the word flood.

Under all authorities, the water which came into the chicken houses can be regarded only as surface waters, and not as a flood. It is undisputed that the water was not backed up from a river, creek or other natural water course.

Sun Underwriters vs. Bunkley et al., 7 CCH (Fire & Casualty) 282.

#### Hatfield New Mid-States V.P. and General Manager

Gerald A. Hatfield has been appointed vice-president and general manager of Mid-States, insurance subsidiary of General Finance Corp.
Since 1936, when he graduated from University of Kansas, Mr. Hatfield has specialized in automobile insurance, starting as an automobile underwriter with R. B. Jones & Sons, Kansas City. He has been with Mid-States since its inception 10 years ago.

Nashville Assn. of Insurance Women is sponsoring a training course beginning Oct. 31, with John F. Lee, manager of the Nashville office of Tennessee Inspection Bureau, as instructor.

## **HIGHLIGHTS In Insurance**

FIREMARKS...In the early days of fire insurance, each insured was given a metal or wooden plaque with the insurance company's seal thereon to be nailed in a conspicuous spot on the front of his building to show that the house was insured. Each fire insurance company had its own fire department and when several of these brigades would arrive at the scene of a fire, the brigade whose company's sign was on the property would try to save what had not as yet burned. The other brigades would stand around and watch!

The National Union and Birmingham Fire Insurance Companies stress the need of fire preventive measures, but should a loss occur, they are noted for their prompt and just settlement of claims.



### NATIONAL UNION and BIRMINGHAM

FIRE INSURANCE COMPANIES



PITTSBURGH Standard PENNSYLVANIA

# Notable Program for Kansas Agents

### Trend Is Now to Cover Specified Perils on Schedule Basis, Benbrook Reports

to cover specified perils on a schedule basis, Paul Benbrook, manager of the southwestern branch of National Bureau of Casualty Underwriters, said in his address before the annual meeting of Kansas Assn. of Insurance Agents at Wichita. Mr. Benbrook observed that there will be some merging of coverages

there will be some merging of coverages and rating procedures, but the development of comprehensive all-risk policies on a single rating basis will be gradual. Industry is probably ready for the single limit automobile liability policy on a single rating basis, comparable to the comprehensive personal liability policy, but a number of difficulties would be but a number of difficulties would be encountered if an attempt were made to afford the automobile liability coverages and physical damage coverages on a single rating basis, he said.

The industry should continue to develop package policies along sound lines.

relop package policies along sound lines, he observed, because it will give the insured protection through a smaller number of policies at reduced expense. Also, broader coverages will be afforded because your fringe coverages. because many fringe coverages may be included on an overall basis without

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Insurance

Topeka, Kansas

August Wahl

George Staebler, Jr. Lloyd Perryman Weir, Jr.

Holmes Meade Lakin Meade Joe W. Hull August Wah

Arnold Falk Ray Henry Dennis Payne

In the period just ahead, the trend in materially affecting the loss of the basic development of package policies will be protection. The companies will not have to cover specified perils on a schedule an adverse selection for certain coverprotection. The companies will not have an adverse selection for certain coverages resulting in lower rate levels based on broader spread.

In order for premiums not to be prohibitive for comprehensive or com-plete all-risk coverage, Mr. Benbrook said there would have to be a more universal acceptance on the part of the public of deductible coverages. This is also true because the companies cannot afford the expense involved in settling a multitude of small claims that the insured can easily assume. Property deductible provisions also can cut the premium costs.

For larger risks, he predicted that the trend in the package policies will be toward composite rating. This is the type of rating preferred by many insured because they then know what their in-surance costs will be and the percentage of payrolls, sales, etc., that they will represent.

#### 'Occurrence" or "Accident"

On the question of substituting the word "occurrence" for "accident," Mr. Benbrook said a majority of the compenierook sand a majority of the com-panies are willing to afford bodily in-jury liability coverage on an occurrence basis for 1% of the B.I. premiums. However, the companies are reluctant to cover exposure losses as related to property damage liability, and if they will do so it is at a much higher rate. He mentioned that losses occasioned by exposure to smoke, dust, fumes, chemicals and heat may involve tremendous sums, since there are no statistical data. Companies are proceeding cautiously in this

Mr. Benbrook said his new position as southwestern manager of the bureau is principally that of working as an adviser with local advisory groups and state agent associations in order to keep the national bureau advised of local conditions. The southwestern territory cov-ers Arkansas, Colorado, Kansas, Louis-iana, Mississippi, New Mexico, Oklahoma and Texas

Many insurance organizations cooperated in making the Kansas convention a success. Among these was the Kansas City F. & M. which published a directory of guests and delegates; Central States Fire, host to the Wednesday night buffet supper and entertainment; The Insurance Magazine, host to the annual past presidents dinner; Central Surety and Sheffer-Cunningham, Wichita adjusters.

Hendaunters were maintained by many

Headquarters were maintained by many Hendquarters were maintained by many companies, among them being Home, Crum & Foster, Springfield F. & M., North America, Fireman's Fund, Central Surety, Hartford, Phoenix-Connecticut, Central States, U. S. Aviation Underwriters, Great American, Royal-Liverpool, America Fore, Kansas City F. & M., Security, National, Maryland Casualty, Western companies, National Surety, Employers, Hussey & Hussey general agency, Fidelity & Casualty, Aetna Casualty, National Surety, St. Faul, U. S. F. & G., Fidelity & Deposit, National Union Wichita Assn. of Insurance Women

agency, Fidelity & Casualty, Aetna Casualty, National Surety, St. Paul, U. S. F. & G., Fidelity & Deposit, National Union. Wichita Assn. of Insurance Women entertained with a luncheon for all visiting insurance women with Mrs. Eleanor A. Sage, Topeka, president of N.A.I.W. as guest. About 100 were in attendance. Mrs. Gladys Courtner, Beezley, Outland & Foote, president of the Wichita association, presided.

Anthony was represented by three woman ascents, Mrs. Lois Barrett, who operates the agency of her late husband; Mrs. Lila M. Sydney and Alice Yager of the Alice Yager agency.

Springfield F. & M., headquarters was busy with a "One Minute Photo Shop." Guests were dressed up in cowboy gear, then photographed beneath a Springfield sign and given their picture before they could get their street clothes back on. Fred J. Dietrich, superintendent of the farm department, and Paul A. Breuhaus, inland marine manager, were on hand to assist State Agents Allan F. Wilson, Topeka; Deane S. Jaeger, Wichita; Charles T. Nichols, Great Bend and his assistant, C. J. Gunther.

The traditional Kansas golf tournament was passed up this year as an experiment, the convention opening with a "kick-off luncheon" which had an overflow attendance of nearly 300. It is probable that the new plan will be continued next year. However Secretary Carl R. Guilkey of Independence managed to get in a round with some friends.

friends.

The association has a growing number of father and sons teams. Among the new ones this year were Wade Patton, president of the Hutchinson board and son Don; and Joe Moddrell, president of the Wichita association and son Joe, and Alex H. Case and son Alex of Marion. Others in attendance were W. T. Newkirk and son Jack L. of Independence; Roy L. Benjamin and son (CONTINIED ON PAGE 33)

(CONTINUED ON PAGE 33)

## Kansas Sidelights C. N. Prouty Is New President, Name Fullington V.-P.

#### 626 Register for Wichita Meeting, Membership Is at New High

WICHITA - The annual convention of Kansas Assn. of Insurance Agents here last week reached a new high in attendance with 626 registered and a new membership high of 556 agencies reported, a gain of 48 during the year. Frank

At the conclusion of the three-session streamlined program, Cheney N. Prouty, Memoria





Prouty agency, Kansas City, was advanced to president to succeed Kenneth Ross, Arkansas City. Howard N. Fullington, Dulaney, Johnston & Priest, Wichita, was elected vice-president, while Carl R. Guilkey, Independence, secretary, and Paul H. Heinz, Jr., Topeka, treasurer, were reelected. Alpha H. Kenna was renamed executive man-H. Kenna was renamed executive manager. The new officers were installed ager. The new officers were installed by Melvin J. Miller, Fort Worth, presi-dent of the National association.

Mr. Ross was named state national and duti Mr. Ross was named state national and dutidirector replacing Webb Woodward. Topeka. Mr. Fullington is the new chairman of the executive committee, and also named to the committee was George F. Bacon, Eldorado, past president

Kansas City will get the 1951 convention set tentatively for October 23-25. Cliff A. Tozier, president of the Kansas City board, gave the invitation announcing that committees are already working for its success.

#### 100 at Farm Breakfast

Headed by Melvin Miller, every Headed by Melvin Miller, every speaker and event on the program was top notch. Over 100 "early birds" attended the farm writing agents breakfast where a lively discussion hour followed the talk of H. C. Bannerman, Hartford Fire.

Other speakers included Garner M. Lester, Jackson, Miss., president of National Tax Equality Assn.; Paul Benbrook, Austin, manager of the new southern branch of National Bureau of Casualty Underwriters; E. R. Hurd. Jr., American Auto; Commissioner Frank Sullivan; L. A. Magill, assistant manager, Kansas Inspection Bureau. Mrs. Eleanor A. Sage, Topeka, presi-

### **NEW KANSAS OFFICERS**

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New officers of Kansas Assn. of Insurance Agents pictured at the annual meeting at Wichita: Left to right, Carl R. Guilkey, Independence, secretary; Cheney H. Prouty, Kansas City, president, and Howard N. Fullington, Wichita, vice-president.

L. T. Hussey T. M. Hussey

### **HUSSEY & HUSSEY** GENERAL AGENTS

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dent of National Assn. of Insurance

Women.
An unexpected highlight was a series of eight-minute "take it or leave it" talks by Frank T. Priest, Wichita; Cliff Tozier, Kansas City, and Loren Jones, Dodge City, and E. H. Fikes, farm state agent of Home. None knew the other's subject in advance. All were motivating talks and met with hearty

#### Many Resolutions Adopted

Anticipated action to work toward amendment of the Kansas agents qualification law in the 1951 legislature was postponed, although continued effort was approved in one of the 15 resolutions adopted. Other resolutions covered work toward "tax equality," expanding safety education in the public schools, increased public relations and educational activity, support of civic deiense organizations, a set-up to protect the business of agents returning to military service, conference with fire com-

iense organizations, a set-up to protect the business of agents returning to military service, conference with fire company organizations on complicated rule and rate manuals, audit department problems, and support of a larger budget for the insurance department.

The Wichita association won the Frank T. Priest Cup for community service and Harry L. Hasler of Eldorado again was awarded the Rosse Case Memorial Cup for fire prevention work. Dr. Marland K. Strasser, Assn. of Casualty & Surety Companies, opened the meeting with his talk at the initial uncheon on accident prevention and driver safety. He said he is constantly engaged in safety promotion, having been in his office only eight days since July 1. In pointing out the need for driver education in all high schools, he cited that about Christmas day will come the number one million traffic accident at the present rate. The first person was killed in 1904—the first automobile accident occurring in Kansas City in that year when the only automobiles in the city collided at an intersection. intersection.

#### Urges Driver Education

Mr. Strasser explained the difficulty N. Ful& Priest,
president,
ppendence,
He said that about one-third of the high schools now have some form of driver education.

tive maninstalled the proposed form of the general convention program was L. A. Magill, assistant manager of Kansas Inspection and duties of the inspection and audit departments of the bureau. He stated







Alpha H. Kenna

that while the bureau is a company organization, it does have obligations to the agent and to the public. For better service he pointed out how the agents can more promptly report changes in risks requiring reinspection, making sure to state why an inspection is needed. He urged that agents report all complaints on rates direct to the bureau and strongly urged that property owners or their architects bring or send their plans and specifications on new buildings to the bureau for their suggestions before construction is started. A tendency to use lighter building materials often results in published rates that are disappointing. Had the bureau had an opportunity to check the plans, he stated, often slight changes could have been suggested that would have resulted in more satisfactory rates.

Errors found by the audit department

are often due to the agent not being fully informed on published rules, he said. Common errors are misuse of

said. Common errors are misuse of forms and insertion of objectionable and needless clauses. He said that 37,500 dailies, 11,000 endorsements and 4,000 cancellations are audited monthly with about 10% requiring criticisms.

Commissioner Frank Sullivan of Kansas, vice-president of N.A.I.C. and Republican candidate for reelection next week, spoke on "Your Insurance Department." He commended the public relations work of the agents. He said the insurance department is often referred to as "one of the minor state

offices," but pointed out that \$3,128,000 is annually collected from the companies in fees and that reserves of life comin fees and that reserves of life companies totalling \$105,000,000 is jointly held by the commissioner and state treasurer. The department operates on a budget of \$87,000 a year, he said, and this year there will be a surplus of \$12,000 not expended. He pointed out that 670 companies and 55,000 agents are licensed in Kansas, last year some \$96,000 being collected in agents license fees. The department operates with 10 men and 15 women.

men and 15 women.

He pointed out that the federal government is now a silent partner in the

business today and that all departments have spent the past six years attempting to correct any faults in operation or administration.

ing to correct any laults in operation or administration.

Mr. Sullivan pointed out that the insurance code, last revised in 1927, needs modernizing. The law permits casualty companies to write fire business but prohibits fire companies from writing casualty. A. & H. laws need revision in view of the rapid growth in business. New fields for company investments must be recognized, he said. Rules for term coverage, installment buying, multiple location coverages, etc., need modification. He said the

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E. C. Gordon, Secretary

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Alpha Kenna executive secretary Kansas Assn. of Insurance Agents (left), and M. K. Ramsey, Kansas City manager of Fidelity & Deposit, at Kansas agents Wichita convention.

legislature must recognize that a complete revision and not a patch work job is needed of the insurance code. The series of 8 minute rapid fire dis-

cussions proved to be a high light of the convention. Frank T. Priest launched the quartette with his remarks on insurance in general, saying the agents will have to forget the things they cannot change and hope that in the future things will change and that the companies, with their many bureaus, will get more modern, will get out of the horse and buggy days. He said "our company machinery moves so slowly that we are more often than not way behind public demand. Let agents and fieldmen work together; 80% of this business is written by first class agents, in first rank companies, who have first class fieldmen—let's work together to produce proper coverage for all of our assureds."

E. H. Fikes, farm state agent of Home, decried the encroachment of the farm bureaus into the insurance business. He said the Kansas county farm launched the quartette with his remarks

ness. He said the Kansas county farm

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bureau act of 1915 listed the specific dropped. purpose of the farm bureau to give instruction in agriculture and home economics and provided for the employment of a county agent. Nothing in it provides for running any insurance business or entering any merchandising business, he added. He traced the expansion of their organizations. He asserted that if not stopped, in 75 years there will be no other insurance, based on their growth the past 12 years in Kansas. He cited how the bureau farm insurance application is much longer and detailed that the standard farm ininstruction in agriculture and home ecoand detailed that the standard farm insurance company application and in signing it the farmer signs a power of attorney to the farm bureau. Their commission is only 10% he said. Time was called before he could finish.

#### Pushes Bank-Agent Plan

Cliff Tozier, Kansas City, who stated "there is no reason to loose the automobile business from your books," told of successful operations of the Bank-Agent plan with many agents and urged agents to contact their bank-

ers and give it a try. Closing was Laurin W. Jones, Dodge City, association past president, who read a letter secured from an automobile dealer customer, where a mid-west reciprocal was reported to have been selected as the official insurance carrier of Kansas Automobile Dealers Assn.

Closing the first general session was Garner M. Lester, Jackson, Miss., president of National Tax Equality Assn., whose subject was "The Tax Dodgers." He said there are two types not paying their just taxes, the cooperatives and the mutuals.

rhe mutuals.

President Kenneth Ross in his report at the second session discussed action taken in following out the resolutions of the 1949 Convention; the ninepoint program of Western Underwriters. Assn., and various association and committee meetings during the year. He spoke of visits to the 22 member boards

spoke of visits to the 22 member boards of the Kansas association, organization of one new board, traveling some 15,000 miles in all. He said an agent can ill afford to not belong to his state and National association.

Webb Woodward spoke of regional and N.A.I.A. meetings which he had attended, including the zone 5 meeting of National Assn. of Insurance Commissioners. He urged that in the future a representative of the Kansas association should attend the N.A.I.C. meetings when economically practical.

#### Mrs. Sage, Miller Heard

N.A.I.A. President Melvin J. Miller of Fort Worth and Mrs. Eleanor Sage, Topeka, president of National Assn. of Insurance Women, were the two speakers on the morning session. Mr. Miller dwell or effective translations of the morning session. dwelt on efforts needed to preserve the free enterprise system. He referred to the trade association system as one of the greatest positive forces for free enterprise, stating there are 1,500 national trade associations with 40,000 skilled employes and the movement is still in its youth. He said N.A.I.A. is considered among the top 10, not only in size but also in motives operation. in size, but also in motives, operation and influences. And, he continued, among the state associations, the Kanassociation is considered among the best.

Mrs. Sage spoke of the 10,000 members of her association and its program of sponsoring educational programs and the national project of aid to the hard of hearing. She added that loyalty to the association, to each other, and to their employers is stressed. Any fear that the N.A.I.W. would unionize was cleared when Mrs. Sage said that the constitution was made to provide that the association shall be non-union, and any club becoming union will be

Opening the final general session was Paul Benbrook, manager of the new southwestern branch of National Bu-reau of Casualty Underwriters at

Austin.

A "general insurance panel" of experts, duplicating a similar panel at the Kansas short course at Kansas University, was made up of Harry W. Hoffman, Phoenix Indemnity; E. H. Hosford, Central Surety; W. W. Rowse, Western Adjustment; N. K. Nelson, Great American; George Erickson, New Hampshire; C. J. Wintrol, Royal-Liverpool; L. A. Magill, Kansas Inspection Bureau, and E. H. Fikes, Home, with Robert S. Charlton, Lawrence, chairman of the educational committee, as coordinator. The panel proved informative, lively and popular.

Holding the interest and enthusiasm of the convention to the closing minutes

Holding the interest and enthusiasm of the convention to the closing minutes was E. R. Hurd, Jr. American Automobile, on agency advertising, using the subject "Count to 100 Before You Spend That Advertising Dollar." Mr. Hurd defined advertising as a "device that helps you do your selling job cheaper and faster than you con do it yourself. If it won't do that—don't use it." Also, he said, "if you are getting enough income now you don't need advertising." As to newspaper advertising." vertising." As to newspaper advertising, he reminded his audience, "you are out

he reminded his audience, "you are out after people you do not know now."

As to enclosures such as folders, he said they are good only for use with letters to fully or further explain a service. But he warned, folders must have an attractive device, a logical flow of the message, be well dressed, and have good language. He added, "when you send out a folder it is replacing one of your personal calls, so it should look as well as you do." As to letters, they must be brief; start with a need, show how the agent's service fills the need, and close with an action appeal. Too many letters have no close, appeal. Too many letters have no close, he cautioned. Mailing lists must be kept up to date. Also he warned against mailing on days when heavy mail is received.

C. M. McManus of the Greenwood agency, Topeka, has been advanced to president of Kansas Assn. of Real Estate Boards.

Kansas City Insured Members Conference at a luncheon meeting heard Vivian Shepherd, executive director Rehabilitation Institute of Kansas City, discuss proposed state and federal legislation affecting rehabilitation.



Carl R. Guilkey, new president of Kanas agents (left), and J. C. Dulaney, Oklahoma City, executive state agent of Sun, dining at Kansas convention at Wichita.

### Farm Underwriters Must Constantly Meet New Problems likely ther of it

In his talk at the farm breakfast at the annual convention of Kansas Assa



Agents, H. G. Banperintendent of and sor Hartford Fire and peka; president of Farm Pratt: Bob, Jr. mentioned that the attending farm underwriters farm underwriters must constantly solve new problems. He commented that in recent years ker-osene lamps have almost disappeared

H. G. Bannerman as a farm lighting device and electricity has taken their place. Many hazards

ity has taken their place. Many hazard have been eliminated but others have come in.

As an example, Mr. Bannerman said hasger that while reviewing loss files the other day, he noticed about 20% of the fire losses for a given time were electrica for the claims. Damage to hot water heaters radios, refrigerators and clocks by lightning is an entirely new feature the business.

Mr. Bannerman said the agents of convenity of the con

Mr. Bannerman said the agents of today have a great advantage over their predecessors in that they no longer have to show the farmer the need for insurance. Tornado insurance was no unritten in come territoria. written in some territories 35 years ago Several of the large companies had a staff of men who were sent into localities right after a tornado in order to produce this class of business, and they had remarkable success. In one state by this process they built up premium of \$500,000 in a few years, and eventually put most of this business on a combined fire windstorm basis and the combined fire-windstorm basis and the later fire and extended coverage.

#### Farmers Educated on Insurance

Today the farmers have been edu-Today the farmers have been educated and convinced that it is a necessity to carry insurance if they are to operate their farms properly and thouly question involved is which agen and company get it. Mr. Bannerman remarked that more companies have gone into the farm business, but is sound, proven practices are followed there should not be much worry on that score.

He reviewed some of the loss rational figures in Kansas for the F.U.A. comngures in Kansas for the F.U.A. companies in the last 22 years. In the five year period from 1928 to 1932, the farm fire loss ratio was 82% and the wind ratio 55%. In the next five-year period, 1933-1937, both fire and wind lost ratios were very good. However, Mr. Bannerman said that since 1947 the five record has improved continually, but he wind loss ratio has been had continually. the wind loss ratio has been bad consistently. It was 109% in 1948 and 69% in 1949. Good times reduce the number of farm fires but make very little change in the wind experience and the wind loss ratio is worrying the

Few farmers are able to make repairs at a nominal figure, and the old \$\sqrt{claim}\$ claim has now climbed to almost \$\sqrt{50}\$.

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ake repairs the old \$1 almost \$50.

Kan.,

special agent.

Further than this, he said there are innumerable claims for composition shingle roofs and the experience on them is apparently about as bad as the ordinary roll roof. "It is also quite likely that we are paying a large number of repair claims as well," he added.

The business and resigned as secretary of the Newton board. He is now back in the business with the Claassen agency.

A new Kansas field man attending his first Kansas convention was Arthur Browne, new special agent for the Kansas City F. & M.

Following a custom of several years there were no happanet speakers. Better

### KANSAS PICKUPS

(CONTINUED FROM PAGE 30)

Mark L., Wichita; George S. McAnany and son George S. Jr., Kansas City; C. G. Blakely, Jr., and son C. G. III, Topka; Alpha Bales and son Ralph R., Pratt; and Robert E. Israel and son Bob, Jr. of Wichita. General Agent L. N. Ewing and son Frank of Tulsa also were attending.

derwriters George E. Freese, former Kansas state constantly agent for St. Paul F. & M., now assistant secretary at the home office stopped during the convention to see old friends and associates en route home from a vector was a state of the convention of the conv

R. C. Moore, past president of the Wichita association, barely got back from a vacation trip to Tucson where he and Mrs. Moore visited their youngest son, a student of the University of Arizona there.

Arizona there.
Winners among the field men in the new membership contest were C. T. Nichols, Great Bend, and Deane S. Jaeger Wichita, both Springfield F. & M. state agents and E. H. Fikes, Home, Topeka. All three gave their cash awards totalling \$50 back to the officers "for the good of the Kansas association."

"for the good of the Kansas association."

At the banquet Kenneth Ross, retiring president, was presented with a beautiful leather brief case and Mrs. Ross was given steak knives.

Probably never before did a Kansas convention secure as much local publicity. There was over 100 inches in newsitems in 16 different stories in the Wichita papers in addition to 10 pictures. Melvin J. Miller, president of NA.I.A. was featured by the Wichita Beacon as "guest editor," his picture with his own editorial appearing on the front page. On the same date the Wichita Eagle published an editorial quoting Dr. Marland K. Strasser of Assn. Casality & Surety Companies headed "To Educate Drivers." Dr. Strasser also appeared on a Wichita radio broadcast. Much of the credit for the favorable publicity goes to Preston M. Bacon, vice-president of the Wichita association and publicity chairman for the meeting.

Headed by President Joe Moddrell, Seperal convention the surment the Wichten of the proposition of the president of the Michita for the Moddrell, Seperal convention the surment the Wichten of the Michita papers of the Michita for the Mi

publicity chairman for the meeting.

Headed by President Joe Moddrell, general convention chairman, the Wichita association had an array of committees working to see that everything went off smoothly. Garnett Mason handled the registration; Bud Rowe handled the banquet and entertainment; Robert E. Israel, Jr., was in charge of attendance, and Past President E. C. Moore was in charge of distinguished guests.

Retiring President Kenneth Ross reported that he had traveled more than 15,000 miles during his year as president attending various local, state and national meetings and conventions in the interest of the Kansas agents.

Among the interesting guests was

Among the interesting guests was John Hogg of Hogg, Robinson & Capel-Cure, London brokers, who is spending a year in the United States at various company and agency offices learning "the American way." At present he is spending three weeks with the R. B. Jones agency and Kansas City F. & M. Informal highly schemberston.

Jones agency and Kansas City F. & M. Informal birthday celebrations were observed during the convention by General Howard S. Searle, Crum & Forster state agent, and C. C. Crow, Jr., Wichitamanager of Underwriters Adjusting.

Friends of Byron R. Brittain, Newton, chairman of the membership committee were delighted to see his health improved so that he is back in the harness. Earlier in the year Mr. Brittain retired

A new Kansas field man attending his first Kansas convention was Arthur Browne, new special agent for the Kansas City F. & M.
Following a custom of several years there were no banquet speakers. Retiring President Kenneth Ross presided and introduced the guests and official family and their wives. Winners of the special awards were announced. N.A.I.A. President Melvin J. Miller installed the new officers. Life memberships were presented to past presidents Fred Gould, Arkansas City, and Will S. Thompson, Hutchinson.

The breakfast meeting for farm writering the service of the service of

The breakfast meeting for farm writing agents was the best attended in history. Alex Case got the meeting started promptly, turning it over to H. G. Bannerman, Hartford Fire, president of Farm Underwriters Assn, who spoke of the changes in farm coverages and

### Companies Oppose Uniform Accounting Subcommittee's Reinsurance Allocation

At a meeting of the uniform accounting subcommittee of the National Assn. of Insurance Commissioners at Detroit or Insurance Commissioners at Detroit under chairman James J. Higgins of the New York department, the industry committee opposed the New York department proposal to allocate reinsurance commissions of all kinds to various expense groups. A counter-proposal by the industry committee suggested that the industry committee suggested that the insurance expense exhibits be put on the insurance expense exhibits be put on a direct basis by adding a supplementary statement. Inasmuch as the New York department's proposal was opposed and the industry committee has not yet drafted the final form of its counterproposal, this matter will be continued on the agenda for further study.

Commissioners Forbes, Michigan, and Leggett, Missouri, and Deputy Commissioner George Kline, New York, were present at the meeting. Company represent at the

present at the meeting. Company representatives were Thomas Tarbell, Travelers; Thomas C. Morrill, State Farm Insurance Companies, and C. G. Vanderfeen, National Surety.

derfeen, National Surety.

The proposed procedure for uniform accounting examinations was opposed by the industry committee as being premature. The procedure set forth, step-by-step, a program on how examiners should prepare and write their reports.

The industry committee argued that proposed interpretation No. 5 referring to allocation of general expenses would lead to confusion. Interpretation No. 5 includes as general expenses such items as general and clerical underwriting, premium determination, risk experience, premium register and statistical allocations. Among general underwriting allocations are included reviewing and approving applications for insurance.

Also proposed by the industry committee was the establishment of "pensions and insurance benefits for employes" and "insurance" accounts. Now, there is only a "pensions" account. The "pensions and insurance benefits for employes" account would include. ployes" account would include group life, A.&H. The "insurance" account

The NATIONAL UNDERWRITER

General Adjustment Bureau submitted a proposal for handling expenses in cona proposal for handmag expenses in con-nection with salvage recoveries. The Assn. of New York State Mutual Cas-ualty Companies proposed that a sub-division of the "taxes, licenses and fees" classification be established. This classi-fication would be called "assessments". The subcomputate's report will soon

The subcommittee's report will soon be submitted to the uniform accounting committee. Its findings will be brought before the N.A.I.C. at the Los Angeles meeting in December.

### District Meetings in Ia.

Charles J. Smith of Des Moines, chairman of the education committee of Iowa Assn. of Insurance Agents, has announced a series of 12 district meetings which the association will hold between Nov. 15 and Dec. 7. The district rallies will discuss the standard fire policy and endorsements.

Meetings will be held at Cherokee, Nov. 15; Algona, Nov. 16; Charles City, Nov. 20; Elkader, Nov. 21; Tipton, Nov. 27; Marshalltown, Nov. 28; Boone, Nov. 29; Denison, Nov. 30; Red Oak, Dec. 4; Osceola, Dec. 5; Ottumwa, Dec. 6 and Burlington, Dec. 7.

### S S Gaps Are Sales Aids

Arthur J. Wade of the Thomas E. Wood agency, in addressing a meeting of Cincinnati Fire Underwriters Assn., suggested the sales opportunities for individual and group covers created by

would be concerned only with insurance the social security law. These consist of from which the employe derives no ditect benefit, such as fidelity and burch the guarded against by private in-

J. Patrick Sweeney, program chairman, introduced Mr. Wade.

### S. E. Mo. Rally at Malden

MALDEN, MO.—Southeast Missouri Assn. of Insurance Agents, of which Joe Leslie of Sikeston is president, will hold a general meeting for all agents and brokers in southeastern Missouri here Nov. 8. Louis H. Trout, St. Louis, cochairman of the legislation committee of the Missouri association, will discuss of the Missouri association, will discuss a proposed agents and brokers qualification law for Missouri. B. G. Gregory of St. Louis, executive secretary of the state association also will attend.

### **Expand General Insurers Building**

Construction has been started on an addition to the General Insurers building at St. Louis, to comprise two floors, each of about 10,000 square feet, and an underground garage capable of park-

ing 90 automobiles.

In addition to the General Insurers agency, the building houses the home offices of St. Louis F. & M., Washington F. & M., and Insurance Co. of St. Louis—all operated by General Insurance

Ernest R. Meadows has purchased the Fisher agency at Sedan, Kan. Ralph Archer, Garnett, Kan., agent, has purchased the Page agency there. Insurance Women of Wichita joined with the Wichita Tri-Club for a public affairs dinner, with Judge Gertrude G. Huitt of East St. Louis, Ill., as the speaker.

# KANSAS UNDERWRITERS

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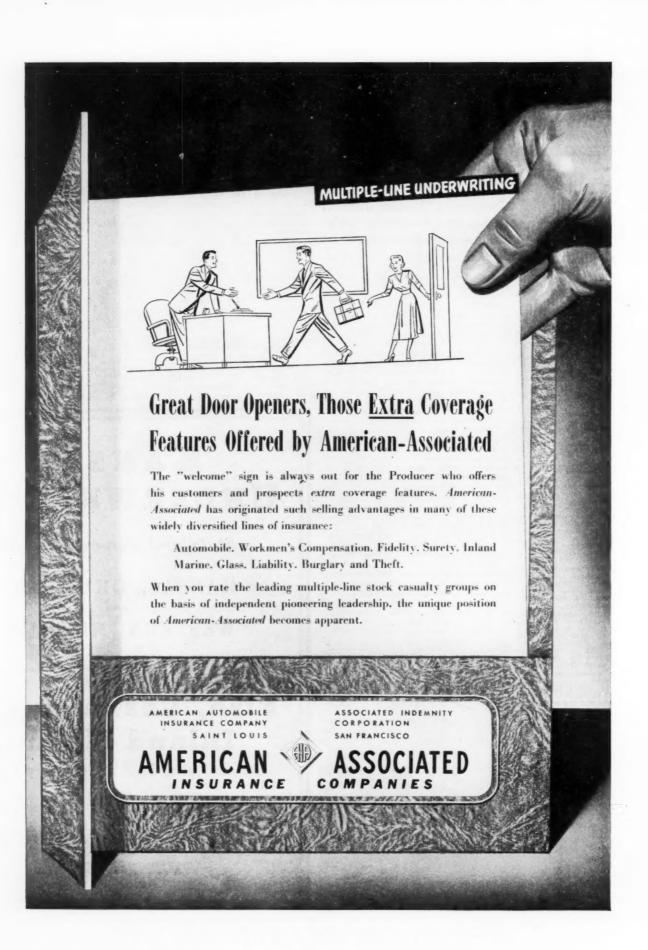
WICHITA, Kansas

WESTERN CASU-ALTY & SURETY GROUP AT KAN-SAS MEETING: From left — C. L. Jones, underwriter; Ben Coe, Jr., Kansas special agent; L. A. Tonnies, agency su-perintendent; J. A. Wimmer, underwrit-er; Phil Doherty, agent at Ellenwood, Kan., and Harl Campbell, Kansas

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### **Tennessee Agents** Name J. A. Holmes as New President

### **Endorse Qualification** Law, Admit Agents Representing Mutuals

MEMPHIS-John A. Holmes of Ripley, who as chairman of the membership committee led in securing 200 new members for the year, best record in the nation, was elected president of Tennessee Assn. of Insurance Agents at its an-





T. K. Robinson

nual meeting here, succeeding Walter Greenspan, Chattanooga. Other officers elected were: Frank E. McGlaughon, Kingsport, vice-president for east Ten-Kingsport, vice-president for east Tennessee; Mark Bradford, Nashville, vice-president for middle Tennessee; E. B. Tanner, Union City, vice-president for west Tennessee; J. Ross Reed, Greenville, secretary, and W. P. Deese, Nashville, treasurer. John B. Bailey, Knoxville, chairman of the executive committee, installed the new officers.

After considerable discussion, the as-

After considerable discussion, the association endorsed a proposed agents qualification law, now being drawn, which will be introduced by the insurance department when the legislature meets in January. Commissioner M. O. Allen praised the current effective cooperation between the department and the agents on all matters concerning fire and casualty insurance. "It makes both your casualty insurance. "It makes both your job and mine much easier when we can work together as we are working now, he declared.

### Mutual Agents Now Eligible

A proposed amendment to the asso-ciation's charter, permitting an agent to represent mutual companies, but subjectapplication for membership to checks by both the local exchange and the executive committee of the state association, was adopted. As a result of this modification, two large Memphis

this modification, two large Memphis agencies were admitted as members.

The deaths of Stuart Ragland, Richmond, Va., an honorary member: Frank A. Ryder, Chattanooga; Norman Dale, Columbia, and W. M. Harris, Johnson City, were noted in a resolution.

New directors are Louis Englert, Jackson; Arch Northington, Clarkswille, and Executed Richmond.

ville, and Everett Biggs, Memphis. Mr. Greenspan will serve as chairman.

The executive committee, at a later meeting, is expected to arrange for the next annual meeting at Knoxville.

With a gain in membership of 58% during the past year, a gain sufficient to win for us the Connecticut membership cup, the local agents of Tennessee are in a position to be more influential in both state and national insurance affairs than ever before," Mr. Greenspan de-(CONTINUED ON PAGE 40)

### Bitter Fight in Mass. to Beat Flat Rate Proposal

SPRINGFIELD-All over Massachusetts agents and companies are fighting to

SPRINGFIELD—All over Massachusetts agents and companies are fighting to produce a "no" vote on referendum No. 5, which will be decided by voters Nov. 7. This is the proposal to establish a flat, state-wide rate for the state's compulsory automobile bodily injury and property damage coverage.

There are 50 foot banners across the main street in Northampton; radios sound the warning; newspaper ads briefly, succinctly hammer away at the dangerous, inequitable proposal; municipal governments like the board of selectmen at Hampden are going on record in very certain fashion against No. 5. Newspapers, even some in high rated Boston, editorially call for "no." The campaign against through the committee for community rating of the Insurance Federation of Massachusetts retained a New York ad-

before election.

### Hope for Victory

It looked as if the measure would be defeated, at the time of the convention of Massachusetts Assn. of Insurance Agents here. A stirring report on the situation and a call for an 11th hour situation and a call for an 11th hour effort to sway votes was made at the convention by Arthur D. Cronin of Kaler, Carney, Liffler & Co., Boston. The flat rate is being agitated by representatives from high rated territories, for their own political advantage, he declared. There is no merit in the proposal. If there were, the same proposal could be made for fire insurance, or for a level real estate tax.

The companies' committee for community rates has done a big job, spent a lot of money, developed a fine organization. The press in both Boston and low rated areas is opposing the flat

low rated areas is opposing the flat

### Loss Will Mean State Cover

Effort by companies must cease on the eve of election. Getting out the vote is up to the agents. In Boston the efrt has been to enlist aid of employes. No. 5 wins there will be one insurance company, the state. In addition, customers were classified and those to

customers were classified and those to whom a sound argument will appeal, will be urged to vote no on No. 5.

The objective in this fight is to achieve so resounding a victory the demagogues will quit trying to poach on insurance presrves, he declared. The business hopes to prove that if it works to educate the public and get out the vote on an issue like this one, it can be now—or in the future—effective. The results on No. 5 will be thoroughly analyzed, area by area. This, as cash sickness and other issues have demonanalyzed, area by area. This, as cash sickness and other issues have demonstrated, is not a single fight but part of a continuing pressure by politicians. The business in Massachusetts intends to learn how to influence public opinion—and votes—in matters of this kind, and to remember how for the future, which may produce other occasions for use of the skill.

There was much informal discussion of beating No. 5 at the polls, during the convention. Pictures and samples of advertising were being passed around.

of advertising were being passed around. Agents have thrown their full weight weight into the scrap, as have the casualty com-panies, mutual and stock. The latter rating of the Insurance Federation of Massachusetts retained a New York advertising firm for advertising and public relations advice. The advertising is being especially concentrated in the week

immediately preceding Nov. 7.
Agents and companies recognize the Agents and companies recognize the great importance of saving the private auto insurance business of Massachusetts. But of almost equal importance is to win the fight here, to avoid the encouragement that loss of it would give to other states with big cities, like New York, to try for the same thing. Massachusetts is an important state. What happens here influences other What happens here influences other

#### \$32 State-wide Cost

The flat rate in Massachusetts would produce a premium of about \$32, it is estimated. There are 27 communities in which the premium per car now is more than that—and 300 in which it is lower. On population, 55% of the state pays less, 45% more. Of the five largest cities, three are in low rated areas.

No. 5 does not represent a simple political distance.

No. 5 does not represent a simple political division. The A.F.L. and C.I.O. in Springfield are urging a "no" vote; in Boston, they are asking for "yes." This division holds also for municipal governments. governments.

Many automobile owners believe there should be individual driver rating. That is too refined to be practical. Community rating, however, is. The job is to sell the good driver in high rated territories on the community breakdown. The insurance people have statistics to prove that residents of Boston cost insurers more money than those else-where in the state.

### Play Up Misapprehension

One misapprehension that seems to ore integrated among good drivers in high rated territories (this is also true in New York City) is that drivers from outside Boston come into the city and cause accidents, which builds up the Boston rates. Actually, accidents are Boston rates. Actually, accidents are charged back to the area of driver's residence, but proponents of No. 5 are building up the misapprehension to get

Some fear that bad weather will hold down the vote in outlying (low-rated) sections. It would not diminish the vote substantially in Boston. Also, 10 items on the ballot may reduce the (CONTINUED ON PAGE 40)

# **Lively Convention** Wound Up by Mass. Agents

### Ask Companies for Continued Identification with Assigned Risks

### By KENNETH O. FORCE

SPRINGFIELD-The proposal on the Nov. 7 ballot to flat rate auto liability coverages, the bid of Liberty Mutual for farm business with a 10% rate deviation, and the loss of agent contact with hazardous business that is assigned were three of the topics that gave the convention of Massa-chusetts Assn. of Insurance Agents here a lot of steam. About 650 registered, which was close to last year's record

The resolution opposing a flat rate termed it unfairly discriminatory, unjust, unreasonable, unsound, and against the public interest. It would eliminate the public interest. It would eliminate the incentive to reduce rates provided by the present community or zone rating plan. It would tend to diminish and possibly destroy the safety and accident prevention elements in the present rating system.

Call for Farm Revision

Another resolution empowered the association to ask New England Fire Insurance Rating Assn. to act at once to improve present farm rates, rules and forms so as to meet current comrules petition.

Commissioner Harrington in his at the banquet alluded to Liberty Mutual's farm rate deviation. Other companies have the same right, he said. If the rating bureau won't file a deviation for them, they can file independ-

The resolution on assigned risk plans said these require the insuring public to deal directly with insurers, a circumvention of the licensed producer contrary to the principles of the agency system. Agency companies participating in such plans were requested immediately to confer with representatives of the association to find ways and means of hansociation to find ways and means of han-dling assigned risks assumed by such companies through licensed agents or brokers. A copy of the resolution is to be sent agency company members of the boards of governors of Massachu-setts Automobile Rating & Accident Prevention Bureau and Massachusetts Workmen's Compensation Rating & Inspection Bureau.

### Fair Is National Director

Graham Smith of Brockton, after an excellent administration for one year, was reelected. Frederick J. England of Cambridge was named vice-president and Arthur B. Fair of Natick replaced Dana J. Lowd, Northampton, as state national director. The latter is N.A.I.A. executive committeeman. J. Theodore Burks. Poston was removed. Burke, Boston, was renamed secretarytreasurer.

Regional vice-presidents are Walter Regional vice-presidents are Walter S. Attridge, Boston; Harold D. Barnes, Pittsfield; Paul T. Carroll, Barre; Robert C. Dowling, Hyannis; Mr. Fair; H. Tenney Gage, Haverhill; G. Frank Lord, Great Barrington; Dana J. Lowd, Northampton; Francis R. A. McGlynn, Wørcester; George D. Mirick, Shelburne Falls; Leo R. Mongeau, Lowell; Frank X. Perron, Fall River; Allan M.

(CONTINUED ON PAGE 38)

### Harleysville Mutual's New Home Office



Harleysville Mutu-al Casualty's new \$750,000 home office, 5750,000 home office, located just outside Harleysville, Pa., is to be opened with a three-day program Nov. 27-29. The program will be opened when President Ezra Markley cuts a rib-bon of policies strung across the por-tal to the entrance

### Pinkerton Is New Nebraska President: Nine Get Distinguished Service Awards

LINCOLN—At the annual meeting here of Nebraska Assn. of Insurance Agents, Arthur W. Pinkerton, Omaha, was elected president, succeeding W. A. Boettcher, Columbus and Herbert R. Walt, Lincoln, was reelected state national director. Ben Joyce, Lincoln, was elected first vice-president; J. G. Elliott, Scottshluff, second vice-president; and Scottsbluff, second vice-president, and Robert M. Byrne, Omaha, secretary. There were 277 agents and company men in attendance.

men in attendance.

All speakers directed their talks to the theme "Professionalism and the Agent," and urged the agent to equip himself in better knowledge of his product through constant study and self-improvement. Luncheon speaker was Corlett T. Wilson, editor of The Professional Agent, Rockford, Ill.

### Cryan Is Breakfast Speaker

Joseph T. Cryan, America Fore farm department, Chicago, spoke at an early bird breakfast for farm and small town agents. He told the agents in attendance that the farm represents the most lucrative and undeveloped market in the business and that, intelligently operated,

own back yard.

W. H. Hamly, Omaha, Nebraska manager of Retail Credit Co., spoke on "Insurance Credit Reports," and R. Maynard Toelle, Chicago, midwest supervisor American Foreign Insurance Assn., on "Writing Foreign Risks." Friday morning Rep. Joyce, chairman, of day morning, Ben Joyce, chairman of the legislative committee, conducted a forum on the association's proposed agents' qualification bill, just prior to the

At the afternoon session, Rudolph C. Larson, agency supervisor of Aetna Cas-ualty, spoke on "Agency Analysis and Customer Development," and Roger F. Quail, Detroit, manager of the fidelity department of Standard Accident, on "Selling the 3-D Policy."

The banquet highlight was the awarding of "distinguished service awards" to nine agents who had rendered outstand-ing service to the American agency sys-

tem the past year:
Albert F. Blackburn, manager of the insurance department of Grand Island Trust Co., Grand Island, for his work in developing the use of tape-recorded lectures in connection with C.P.C.U.

Robert M. Byrne, president Omaha Insurance Agency, for his work as chair-man of the association's conference committee, and securing the return to old rule on minimum premium on single

Warren R. Barney, Kearney, for his outstanding work in membership development.

velopment.

E. A. Fitzpatrick of Hibben, Fitzpatrick & Rosenquist, Omaha, for his work in the field of legislation and liaison with the insurance department.

A. D. McCallum, owner of the Pioneer Insurance Agency, Wauneta, for his carriering form accounts in his

Insurance Agency, Wauneta, for his work in servicing farm accounts in his

#### Aids Potato Men

John G. Elliott, Scottsbulff, for his liaison with Potato Growers Assn., in attempting to obtain a special classification for workmen's compensation pur-

Herbert R. Walt, Lincoln, for his outstanding three years service as president and state national director of the asso-

John A. Henley, Henley & Co., Falls City, for his work in the development of

a membership development program. Arthur W. Pinkerton, Fell & Pinkerton Co., Omaha, newly elected president, for his work in the field of insur-

ance education.

Two hundred and seventy-seven agents and company personnel present for the convention.



DISTINGUISHED SERVICE AWARD WINNERS, left to right, Herbert R. Walt D. McCallum, Warren R. Barney, Albert F. Blackburn, Robert M. Byrne, J. G. liott, Arthur W. Pinkerton, President M. A. Boettcher, who conferred the award. Elliott, Arthur Missing from photograph are John A. Henley and E. A. Fitzpatrick.

### H. E. Cotter Case on Issue of Agency to Get New Squint

Reversing and remanding a decision the federal district court, the U. S. seventh circuit court of appeals has held against Indemnity of North America and for Midwest Transfer Co. in one of an amazing series of cases involving H. E. Cotter, former Chicago broker. The higher court found that the lower our had made no finding on the vital issue of whether Cotter had apparent authority to act as agent of Indemnity and whether the insured dealt with Cotter in reliance upon the apparent existence of the authority so to act. The case is Indemnity of North America vs. Midwest Transfer Co., 34 CCH (Automobile), 971.

The lower court had given the in-surer a judgment for the balance of the premium allegedly due on a fleet inbinder issued to Midwest surance through Cotter.

### Preferred Bows Out

Cotter in 1946 had placed Midwest insurance in Preferred Accident at a rate of \$2.15 per \$100 of gross receipts. This was canceled by Preferred effective April 4, 1947. Ratner, president of Mid-west, testified Cotter told him Indemwest, testified Cotter told him Indemnity would take the line at the same rate and that he was Indemnity's agent, although the lower court found Cotter, had no express or implied authority to act as Indemnity's agent. On March 12 binders were received from Indemnity reciting "This binder is not valid unless signed by a duly authorized agent of the company" and directly above this statement appeared the words H. E. Cotter & Co., Agency" and the signature "Edgar L. Warner, Agent." Ratner testified that in the course of a visit to Jewel Tea Co. whose insurance had been placed with Cotter with Indemnity, he was shown the policy issued to Jewel he was shown the policy issued to Jewel on which appeared on the line desig-nated agent the words "H. E. Cotter &

On April 3 after Cotter had provided On April 3 after Cotter had provided Indemnity with lists of Midwest's equipment, and states in which cover was desired. Indemnity told him the rate would be \$4.50 and a few days later a written binder incorporating this rate was delivered to Cotter. On April 16, 1947 the insurance was mutually canceled to take effect May 17. Ratner testifed the hinders with the \$4.50 rate had fied the binders with the \$4.50 rate had not been delivered until after cancallation. On Nov. 20 after an audit of Mid-west's gross receipts Indemnity billed Midwest for the premium claimed to be due based on the \$4.50 rate.

### Judgment Was For \$8,023

Midwest insisted that the contracted rate was no more than \$2.15. The lower court, finding that Cotter had no express or implied authority to act as Midwest's agent, held that Cotter's acceptance of the \$4.50 rate was Midwest's

### I.C.C. Examiner **Against Higher** B. I. Limit Rule

WASHINGTON — Recommendation of the bo that Interstate Commerce Commission refrain from increasing the minimum amounts of bodily injury liability insurance required of motor carriers and freight forwarders is made by Thomas F. Kilroy, I.C.C. examiner. At the same time he recommended that I.C.C. require these risks to carry property den quire these risks to carry property damage liability insurance in \$5,000 limits instead of \$1,000 limits.

stead of \$1,000 limits.

The examiner stated that the reporting freight forwarders had nine P.D. claims in 1948 all of which were filed for amounts of \$1,000 or less. The class 1 motor carriers of property and passengers collectively received a 9,437 P.D. claims in 1948 of which 94.55% sought damages of \$1,000 or less and 99.35% for \$5,000 or less. Although this showing negatives any need for increased property damage coverage, very few motor carriers and freight forwarders now carry less than \$5,000 P.D., presumably because the premium rate for that amount of insurance is the same as for \$1,000. \$1,000.

The present B.I. limits for motor carriers of property are \$5,000/10,000. For each passenger carrier's vehicle, the minimum amounts are \$5,000 for bodily in jury to or death of one person regardless to legal of the seating capacity of the vehicle and for \$15,000 to \$50,000, aggregate B.I. is any one accident depending upon the seating capacity of the vehicle.

The examiner found that the B.I coverage of only 10.74% of motor carriers of property are confined to the minimum I.C.C. limits; 87.59% are insured for \$10,000/20,000 or more; 62.86% for limits of \$20,000/40,000 or more and 56.27% for \$25,000/\$50,000 or more.

Of the 196 motor carriers of pas sengers from which the information as w insurance was obtained, 12.24% were insured for \$5,000 and \$50,000 or less 72.94% were insured for \$10,000 and \$100,000 or more, and 55.09% were in-sured for \$20,000 and \$200,000 or more

acceptance, and entered judgment for Indemnity for \$8,023.

That Cotter was not, in fact, the actual agent for Indemnity is not conclusive of the issue of whether he had apparent authority to act as such agent according to the court of appeals. Also in view of certain Illinois cases that recognize the possibility of the existence of a dual agency in insurance cases, the finding that Cotter was Midwest's agent does not constitute a finding that he did not have or could not have had, apparent authority to act for Indemnity in some of the transactions of the transactions.

The case is remanded for a determination by the district court of the existence or non-existence of apparent authority in Cotter to bind Indemnity and if it ex-isted whether Midwest relied thereon.



# ACCIDENT **COVERAGE FOR PEOPLE** PAST SIXTY

### Don't pass up this business!

Accidents are a constant threat to older people who have lost the firm step of youth. Yet, at this age when they need it most, protection against accidents is hardest to obtain.

Many agents and brokers, unable to secure coverage of this type through ordinary sources, have added materially to their premium incomes by writing the Over Age Accident Con-

It covers death, dismemberment and weekly indemnity or death separately. Full details will be sent on

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### renty-seven Wetterlund, Watt nnel were Chosen to Lead Washington National

On Jan. 1 the triumvirate which led Washington National to its present minence will be succeeded in active Washington anagement by a younger team headed Wetterlund, vice-president and general counsel, who will become presi-





dent, and P. W. Watt, vice-president, who becomes executive vice-president. H. R. Kendall will continue as chairman of the board; G. R. Kendall, president, will become chairman of the executive committee, and James F. Ramey, executive vice-president and secretary, will become chairman of the finance committee. While this does not mark complete retirement for these executives, the move will shift many duties from their shoulders.

Elevation of Messrs, Wetterlund and Watt is to result in a number of other promotions, chief of which will be promotion of T. J. Griffin, treasurer, to vice-president and associate general counsel to vice-president and associate general counsel to vice-president and associate general counsel, and G. Preston Kendall, and vice-president and assistant treasurer, to secretary. Mr. Wetterlund, will retain the title of general counsel.

New President's Career

### increased New President's Career

increased very few orowarders or warders or has been with Washington National which he joined in 1924 as a clerk in the statistical department. He had had some schooling at the University of Illinois and while working for Washington National attended DePaul University at night. In three years he completed the law course and then passed the bar examination. He was gradually assigned to legal activity and has guided this work since then. Mr. Wetterlund has been active in insurance organizations and is president of Insurance Economics Society, past president of the Health & Accident Underwriters Conference and of the Insurance Federation of Illinois.

Accident Underwriters Conference and of the Insurance Federation of Illinois. He has been vice-president and general counsel of Washington National.

Mr. Watt's primary experience since joining the company in 1930 has been in the group department. Under his leadership, this embryo operation has grown to significant size. His activities will be enlarged in his new position to place him in charge of all the A. & H. business of the company, both group and were in Mr. Watt graduated from Amherst, became a group man with Amherst, became a group man with Aetna Life and joined Washington National in 1930 as manager of the group

department.

In the same series of advancements, In the same series of advancements, the following will become 3rd vice-presidents: J. L. Elliott, W. T. Weiss, C. H. Kendall, R. C. Knoblock, A. Margaret Fiedler, E. G. Graff, F. L. Ramey, P. A. Reed.

C. P. Fohr has been advanced to assistant secretary and assistant treasurer while P. S. Finley and R. M. Davidson

while R. S. Finley and R. M. Davidson will become assistant secretaries. N. R. Rathbone will be advanced to assistant actuary

actuary.

Slated as agency supervisors are: H.
E. Holmberg, J. N. Ulmer, M. W.
Caskey, E. L. Clark, G. D. Mansberger,
J. F. Marcy, A. B. Duisen, Dale Darland, G. I. Hillard.

Advanced to assistant agency supervisors are F. St. Clair, M. L. Beatty, and J. R. Kausman.

### **Agricultural Prevention** Group to Meet Nov. 14

The agricultural committee of National Fire Waste Council will meet at the Edgewater Beach hotel, Chicago, Nov.

Featured on the program will be report on the progress of the national contest for rural fire departments; a premier showing of the new fire prevention film, "Fire on the Farm," and a talk by Robert H. Reed, editor of Country Gentleman. Dennis C. Smith, Home,

try Gentleman. Dennis C. Smith, Home, is chairman of the committee.

Talks also will be given by Don O. Wood, executive vice-president of Fyr-Fyter Co., and Harry F. Perlet, assistant insurance department manager of the U. S. Chamber of Commerce, who will with a report on the rural fire prevent. give the report on the rural fire preven-tion contest. Irwin H. Reiss, general manager of Meadowlark Farm, will give an address on the rehabilitation of strip mined land.

An examination to qualify casualty company inspectors to make official elevator inspections at Richmond, Va., will be given Nov. 8. Under a new ordinance, the city may accept reports of inspections made by insurance company representatives if the latter are qualified and licensed.

### Report Lloyds Syndicate Will Close Down Completely

The Review," British insurance journal, carries a report via the Hague that one of the Lloyds syndicates will close down completely on the first of the year and the underwriting members will disperse among other syndicates. The British journal quotes the Dutch insurance journal, "DeVereenigede Verzekeringspers," to the effect that this syndicate has not been doing well financially. The British paper does not give the number of the syndicate. It surmises that the of the syndicate. It surmises that the underwriting members are not satisfied with the results being obtained by their underwriter and with existing arrange-

Lloyds syndicates are renewed every year and it is not uncommon for an underwriting member or two to switch in or out of a syndicate, but it is a comparative rarity to have a whole syndicate fail to renew itself at the end of the

Richard F. Tyson, Milwaukee attorney who has been associated with cas-ualty companies in adjusting work, has joined the H. T. Hierl agency, Fond du Lac, Wis., operated by his father-

### Ohio Casualty Stock Split to Produce \$2 Million Captal

Stockholders of Ohio Casualty are voting Nov. 6 on the recommendation of voting Nov. 6 on the recommendation of directors for a 33-1/3% stock dividend. The dividend would go to stock of record Oct. 31. The stock is being quoted in the over the counter market at 65 bid and 68 asked for the old stock and 48¾-51 for the new. This will boost the capital from \$1½ million to \$2 million consisting of 400,000 shares of \$5 par value stock. The last change in capital was in 1947 when the account was increased from \$1,200,000 to \$1,500,000, also by stock dividend.

W. Va. Agents Hear Cudd

BLUEFIELD, W. VA.—Local agents of Mercer and McDowell counties, at their annual meeting here, had as principal speaker A. D. Cudd, Jr., president of Cudd & Coan agency and of National Fidelity, Spartanburg. Other speakers were Commissioner Crichton and Edwin Ratliff, president West Virginia Assn. of Insurance Agents, Beckley.

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Day in and day out HAWKEYE-SECURITY & INDUSTRIAL are helping more agents build sales. They service agents speedily and efficiently ... claims are paid promptly ... every possible sales help is given . . . and a staff of Field Representatives work closely with agents. Yes, "the trend is to HAWKEYE-SECURITY & INDUSTRIAL.''

### HAWKEYE-SECURITY INSURANCE COMPANY INDUSTRIAL INSURANCE COMPANY

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HAWKEYE - SECURITY . INDUSTRIAL . TWO OF THE FINEST

### **Downey Declares All-Industry Law** Sham in Most States

### Statute Is Fizzle Without Enormous Bureaucracy, Californian Charges

Commissioner Downey of California, in addressing the convention of Cali-

fornia Assn. of Insurance Agents at San Francisco on "D i s c r i m-ination" vouchsafed that require-ment that rates be not unfairly dis-criminatory is "the requirement that the insurer must treat like like like." He mentioned the bulletins he sent out a few



Wallace Downey

months ago, saying the principal reasons for their issuance was the changes in many of the suggested fire rates made by the Pacific Fire Rating Bureau in mid-1948. The department has found that reductions accorded certain reau in mid-1948. The department has found that reductions accorded certain classifications, particularly the dwelling classifications in the 1948 adjustments had been passed on to existing policyholders by some companies "only in those cases where the agent who had written the business demanded the return of premium on the basic of the return of premium on the basis of the new rates. In short, if an insured bought through a diligent producer, he

got some money back. If his producer was not diligent, or for some other reason had not demanded a refund on behalf of his assured, the assured got

It was a case, he said, where two like risks, in the same class, were accorded different treatment by the same insurer. Iam quite certain that no one here would postulate that one dwelling house owner was different than another only because one had a diligent, wide-

only because one had a diligent, wideawake agent and the other had a lazy
fellow as his insurance producer, or
one who had died or retired from business after the risk was placed."

"About all that it is necessary to apply, in determining whether a given
situation constitutes unfair discrimination, is the quality of abstract fairness
that most people, particularly trained
business people, enjoy. The question to
ask yourself when confronted with the
problem of whether two risks are alike
is. Is there a substantial difference between these two risks when they are
viewed objectively? A fair answer to
this question. I think, will resolve the
problem at least 90% of the time. If
one wishes to get into the subject of
experience in determining whether
there should be a difference between experience in determining whether there should be a difference between two otherwise similar risks, it is only necessary to ask oneself the question, Is there a substantial difference in the experience of these two risks? If there is a substantial difference, of course, there is a reasonable basis for setting up a separate class. If there is no such difference, the risks must be treated as the same."

#### Commission Differential

"Very recently we were asked by an insurer's representative whether it would be a violation of the rating law for it to have a lower set of rates for business placed with it by one agent who had agreed to take only a 10% commission, and a higher set of rates business placed with it by its other on business placed with it by its other agents who were getting a 30% com-

mission. The only difference as between different insured was that one would take insurance through an agent getting 10% commission and the other would take insurance through the agent that received a higher commission. I am certain there is no one in this room who decement investigated by the table that the agent that the property of the property certain there is no one in this room who does not immediately know the answer to this question, and yet it was put to our rating division by several insurance people of above average intelligence, and with straight faces, I might add."

Mr. Downey asserted that California did the wise thing in adopting the competitive type of rate law in 1947. "I can

did the wise thing in adopting the competitive type of rate law in 1947. "I can say that I am certainly thankful that I do not have an all-industry type law to administer in this great state." "Proper study cannot be given particular rates without a vast bureau set up with sufficient rating personnel to study each filing. In the less populous states due to necessary limitations in states, due to necessary limitations in budgets of the small insurance departbudgets of the small insurance departments maintained there, the approval function is generally exercised in one or two ways—it is either a rubber stamp function or, almost every filing is disapproved without proper study. That is to say, in the one instance the commissioner says, I have no means at my command to understand whether this rate is a proper one or not and, therefore, I will just approve it, or, he will say, I have no means at my command say, I have no means at my command to understand whether this rate is a proper one or not and, therefore, I will just disapprove it.

#### Justice Is Not Done

"In neither case is justice done to either the insurer or the insured.
"There are likely a small number of states that have sufficient budgets and rating personnel to come to reasonably accurate conclusions as to whether par-ticular rates should be accepted or re-jected, but I can say that states having the funds to establish and maintain such organizations are very very few indeed

organizations are very very few indeed.
"In California, competition should ultimately set rates. If the provisions in our statute forbidding uniairly discriminatory rates are enforced, I feet that we will have soundly regulated competition, under which there will be no monopolies, and under which there will be no tendency to create a monopoly. I think the public will thus get better insurance at the lowest reasonable price."

### New Check on Casualty Rating Plans in Wash.; Quit Stamping Automobile Dailies

SEATTLE-On Nov. 6, by order of Commissioner Sullivan, Washington Insurance Examining Bureau will discontinue stamping automobile dailies, but will continue to rate fire, theft and collision fleets.

Coincident with the discontinuance of the stamping of individual car policies, the department has ordered into effect a system for policing the new experience and schedule rating plans applicable to general casualty lines, including automobile. Two examiners in the bureau will accept anonymous comthe bureau will accept anonymous complaints regarding casualty lines and also will spot-check dailies in the offices of companies and producers. The department has secured the cooperation of all casualty companies in the use of a uniform set of credibility tables and experience on risks will be made available to all interested companies through the examining bureau. amining bureau.

### Individual Hospital Plan

Pilot Life's new hospitalization plan, reported in last week's issue, is designed for individuals and family groups. The company has been in the field of group hospitalization for some time. Floyd M. Hunter, formerly with Carolina Casualty, is manager of the hospitalization description. partment.

The plan provides coverage for hos-pitalization, surgical benefits, maternity and out-patient emergency benefits.

(CONTINUED FROM PAGE 35)

Walker, Taunton; Daniel M. Walsh, Jr., Springfield; Paul J. Woodcome, Fitchburg, and Frederick H. Woodward,

### AGENT PROBLEMS

How to develop cover on city property through local boards was discussed at the session on agent's problems pre-sided over by Carroll K. Steele Gloucester. Conrad Parker, Worcester, told how

the board there got the city business. An agents' committee persuaded the An agents' committee persuaded the town to set up an insurance commission, made up of men not connected with insurance. Than the business was written through the local board and commissions distributed. One problem in pulling and hauling between insuren and agents as to what company will write the business and what agency place it. In Worcester Factory Insurance Assn. wrote it.

City insurance needs special engineering and handling and he suggested companies set up a pool or department to study, engineer and underwrite municipal control of the con pal insurance. This approach would im-press cities; would eliminate bickering perses cities; would eliminate bickering. Perhaps a real municipal package coverage could be developed. The local board could aid. Each municipality's problem differs. On Worcester business agents got F.I.A. commission, five points less than usual, but additional insurance sold more than made up for the five points

### Loss of Identity on Pool Risks

Abe Mogul, Malden, suggested that if workmen's compensation hazardous risks go to one pool, auto risks to another, A. & H. to a third, etc., agents will lose contact with more and more customers. He said he was willing to take less commission, possibly none, but he wants to remain identified with his client.

his client.

There is an increased trend to direct writing of assigned risks (W.C. and auto) by agency companies, without recognition of the agent, Mr. Steele admitted. An office has been set up in Boston to provide better service on auto assigned risks. Should the agent be paid at least a little commission? Shouldn't he continue to be identified with his customers? with his customers?
G. F. Lord, Great Barrington, said

the executive committee is doing some-

thing about the matter.
Fred J. England, Cambridge, thinks
this is a matter for the Massachusetts
Producers' Council, which is taking action. He explained that W.C. is a pool but auto assigned risk is not. At present the pool issues the policy. It may be written in a direct writing mutual, not in the company of the agent who originated it, and leave the agency permanently. Later other profitable business of this insured may follow to the insurer that took the assignment of the hazardous line.

### Deductible Here to Stay

Is the \$50 mandatory deductible creating any ill will, Mr. Steele asked. The only response to this was from Ed Merrill of Winchendon who said the average good insured seldom has a loss. when he does, possibly the first in 20 years, and it runs \$100, it is apt to create resentment if the first \$50 is taken away from him.

The general sentiment seems to be however, that the mandatory deductible is here to store

is here to stay.

Another agent thinks there is no justification for a nine cent extended cover rate on dwellings and a 14 cent E.C. rate on factory buildings that are much less susceptible to wind damage, in the same territory.

Arthur Marsh of Worcester said doesn't seem fair when canceling E.C.

# Fire and Explosion Legal Liability

Many of your Assureds occupy leased premises.

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also to nave to cancer the fire policy short rate.
Franklin King, Northampton, wondered if the diminishing difference between E.C. and fire rates is due to unfavorable E.C. experience on coast dwellings. He suggested the executive request information on variance. committee request information on various territories. Mr. Steele touched on the possibility of discrimination between coast and inland insured.

Apparently smudge losses from oil burners are frequent. This is true around Worcester, Mr. Parker reported.

### NEVILLE TALK

John F. Neville, secretary of N.A.I.A., discussed how the national association can be of service to the state association, local board and individual member at the closing luncheon. Most problems with which N.A.I.A. deals have local as well as national significance. He reviewed some of the national's achievements in the past year, starting with the greeney management committee and its management committee and its

ments in the past year, starting with the agency management committee and its cost study.

This is of great importance to the individual agent, he said. Several years ago the commissioners decided to investigate expense of operations in certain types of carriers. There developed a view that to complete an expense analysis it would be necessary to make a study of commissions paid producers. Note the term used was commissions and not acquisition costs. A special subcommittee of the workmen's compensation committee of N.A.I.C. developed a plan whereby the commissioner in any state can call on insurers to furnish statistics on commissions paid a producer by line of business and by size of premium. The purpose of a call of this nature has never been adequately explained to insurance representatives. It is not known how these statistics eventually will be used.

May Have to Prove Costs

### May Have to Prove Costs

It is extremely important for the agent to be able when and if the time comes, to show how commission income is used in the operation of the agency. It might be necessary to prove these figures in the face of hostile attitudes of those unfriendly to the agency

W.C. and without fir. Steele set up in the s has been accomplished.

### To Revise Auto Policy

The state Automobile Rating & Accident Prevention Bureau indicated companies will revise the auto liability policy so that all coverages, A, B, C, and D, will be the same as to language, following the death of assured. This eliminates necessity of cancelling the policy and the registration as was required in some instances heretofore.

instances heretofore.

Great strides have been made on conference with companies, in contrast with a few years ago when it was almost impossible to get agency problems be-

The educational committee, Chairman George D. Mirick, Shelbourne Falls, reported, recommends continuing the spring discussion course this year, assisted by Bay State Club and Western Massachusetts Field Club. There were 11 classes with enrollment of 288. Another worthwhile activity is the three day seminar at the University of Massachusetts, Amherst, which this year attracted 90.

### Woodward's Legislative Report

The trend towards state funds and the fight for the past two years on cash sickness, were noted by F. H. Woodward, Lynn, in his legislative committee report. Agents successfully opposed the bill for use of facsimile signatures, which could have curbed the rights of agents.

A new standard form of fire policy, urged by the producers' council failed to pass and is being studied by a legislative recess committee.

Keith Seay, local agent of Blackwell, Okla., has been recalled to service as an infantry captain and his agency is for sale.

### also to have to cancel the fire policy fore insurers by personal conference, Md. Casualty Has New N. Y. Office

NEW YORK-Representatives of the trade press were guests of Charles S. Ashley, resident vice-president, and James F. White, director of advertising, on a tour of the new Maryland Casualty branch office here. The tour ended with a luncheon.

a luncheon.

The new offices are housed in what now constitutes one of the handsomest buildings in the insurance district. This is at 111 William street with an entrance on the corner of William and John streets, in what was the Globe & Rutgers home office building. The latter will continue to occupy three floors at the top. at the top.

The building has been thoroughly modernized. The facade was redesigned in colonial architectural style and finin colonial architectural style and hnished in antique Harvard brick with marble trim. The elevator lobby is paneled in Roman travertine marble. A large replica of the Maryland seal is countersunk in the floor of the company's entrance foyer.

Maryland Casualty occupies the first three floors of the building. Many of

the other tenants are insurance firms. The building contains 82,500 square feet of floor space with a frontage of 123 feet on William and 90 feet on John street, with entrances on both streets. The public elevator entrance to the building is at 59 John street.

### American Surety Lists Ways of Reducing Embezzlements

Ways of reducing embezzlements is the topic of American Surety in Novem-ber "Mailroad to Profits." It is based on excerpts from the article, "Is There a Hand in Your Till?" from "Chang-ing Times," the Kiplinger magazine.

Written in non-technical language, it recommends a list of general and spe-cific practices which comprise a sound

cific practices which comprise a sound dishonesty prevention program for businesses generally, regardless of size.

While the publication is primarily beamed at agents and calls attention to seasonal lines and sales opportunities, this month's issue has been prepared as a reference guide which agents can leave with their dishonesty insurance clients and prospects.

Free copies are available at the home



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### **Mutual Casualty** Conference Elects Sherard President

#### Promote Good Will With Policyholders

The idea behind the arbitration agreement is to promote good will with policyholders. It is designed to eliminate litigation and disputes, obviate much inconvenience to policyholders and witnesses, and to secure settlement by con-ference. An arbitration committee is being set up with five members to be elected at the conference's annual claim

Authority of the committee is limited be submitted by forwarding a file to the

n most jurisdictions prejudice in policy defense need be given little consideration in cases of delayed notice, John B. Browder, attorney, Richmond, told the conference. One's efforts will told the conference. One's efforts will be better rewarded by inquiring into the other questions that customarily arise in such cases, he said, such as duration of the delay, any excuses therefor and the legal effect in the particular juris-

diction.

He suggested that the defense might He suggested that the detense might direct its effort to determine if in the particular instance it can or cannot be readily seen that insured's uncooperative actions have been substantial and material in degree. All courts require that they be such. If so, they generally will have resulted in disadvantage to insurer.

#### Plans for Training Adjusters

In training adjusters, R. V. Lennen, assistant claims manager of American Farmers Mutual, in a panel on the subject, suggested some field experience. Three months to two years is beneficial before school room training, to get the adjuster trained as thoroughly and quickly as possible. Adjusters in his company get one week each on auto, compensation and medical, general liability, and on investigation and negotiations. On coverage and investigation, the lay adjuster has more to learn than tions the lawyer who takes the course, but it is the former's personality that determines his ability to negotiate a proper settlement.

Others on the panel were C. V. Dunnuck, Bloomington, Ill., and S. E. Keene, Columbus, O.

When the Korean war broke out prices of used cars shot up tremendously within a week, J. S. Ryan, New England representative of National Used Car Market Report, said. But this rise was due to demand by used car deglers, not the public and the price dealers, not the public, and the price rise declined. In making up the Blue Book, Red Book, etc., on car prices, not only the basic replacement cost at time

many factors that influence prices, such as war and rumors of it, strikes, shortage of materials, he said.

### Tennessee Agents **Elect Holmes**

(CONTINUED ON PAGE 35)

clared in addressing the opening ses-

sion.

Announcing the formation of a new local board at Dyersburg, President Greenspan outlined the aims of the organization for the coming year as "the ganization for the coming year as "the securing of an agents' qualification law, a membership of 700, a speakers commit-tee for public relations work, and closer relations with bureaus and rating asso-ciations in the fire and casualty fields. This and other goals of the association were discussed further in a report made by a planning committee headed by Clark Wade, Memphis, and John Wimberly, Kingsport, F. E. McGlaughon, Kingsport, vice-president for east Tennessee, reported for a special committee on rate revisions.

M. J. Hartson, New Orleans, spoke on Γhe Neglected Coverage — Property "The Neglected Coverage — Property Damage Legal Liability," followed by a panel discussion on agency management and procedure with Eugene A. Toale of the N.A.I.A. headquarters office as moderator. Panel members were Wayne A. Lester, U.S.F.&G., Memphis; Louis A. Schmitt, Memphis manager National Surety; D. S. Jamieson, Covington, and T. K. Robinson, Memphis. Mayhew P. Jones, Springfield F.&M., president of Tennessee Fire Underwriters Assn., brought greetings from the field men, who were well represented among the convenients of the convenient of the convenie approximately 400 attending the conven-

Arch E. Northington, Clarksville, pre-

Arch E. Northington, Clarksville, presided at the farm and small town agents breakfast, with A. R. Johnson, Hartford Fire, as the speaker.

Other convention speakers included W. E. Bethshares, North America, "Size 4 Wouldn't Fit;" Briant Sando, Orange, Cal.; W. E. Pullen, vice-president U.S.F.&G., "What an Agent Should Expect from His Company;" R. Maynard Toelle, mid-west supervisor American Toelle, mid-west supervisor American Foreign Insurance Assn., Chicago, "Why Stay at Home?" and Roy M. Bates, director financial responsibility law, Nashville, "Bringing You Up to Date on Your Financial Responsibility Law." Law

Insurors of Memphis, with T. K. Robinson as general chairman, were offi-

### Bitter Fight in Mass. to Beat Flat Rate Proposal

(CONTINUED ON PAGE 35)

'knowing" vote. That is one reason for the big push to educate voters in ad-

Especial pains are being taken to get the vote out in "no" centers like Spring-field, to get a "no" from voters who don't own cars, to reduce the "yes" votes of the estimated 20% who, unvotes of the estimated 20% who, un-informed, vote "yes" because they be-lieve a proposal has merit merely by virtue of getting on the ballot. Win or lose, the business this time is keeping score on itself, to help guide it in future tussles.

### One Flat Rate Effort Defeated

An effort on the part of those advo-ting flat rates to force Commissioner cating flat rates to force Commissioner Harrington to issue the 1951 auto rates prior to the Nov. 7 election was defeated in a ruling by Suffolk Superior Judge Hudson that the law which set Sept. 15 as the date for issuance of the following year's rates by the insurance comissioner is "directory" rather than mandatory. For many years the commissioners have issued compulsory rates later than Sept. 15 and it is not unusual for the announcement to come after the for the announcement to come after the election. Those advocating the flat rate charge that Massachusetts Automobile

In most jurisdictions prejudice in of loss is considered but all of the Rating Bureau had purposely delaye its recommendations to sioner so that the announcement woul

Some observers point out that so long some observers point out that so low as there is any possibility of success a the flat rate referendum, it would be a waste of time to proceed to fix rates at the present area basis.

### YANKEE SIDELIGHTS

Entertainment at the banquet at the Massachusetts agents' meeting was provided by the Springfield board, and in president, Daniel Walsh, Jr., took a bow At the closing luncheon the host was Mutual Fire Insurance Assa. of Net England, with H. K. Bartlett, the president, acknowledging the thanks of the participants.

Harold D. Barnes, Pittsfield, installed officers. He was also chairman of the resolutions committee.

Miss Margaret Healy, Boit, Dalton a Church, Boston, recording secretary Na-tional Assn. of Insurance Women, as Miss Alma Ayres, Fall River, presides of the Massachusetts women's group were banquet guests.

Mrs. Leonice K. Mason, who attends the convention from Malden, is the fourth generation at the helm of Precott & Son there, 93 year old agency Her son-in-law, Gene Littlefield, was also at the convention. He is a field may for Field & Cowles, Boston.

Daniel Sullivan of the America For agency department was one of hom office contingent that were hosts at the cocktail party, which like all America Fore affairs, was crowded but plessant and highly successful.

The new vice-president, Frederick

sant and highly successful.

The new vice-president, Frederick J. 20%. M. England of Cambridge started with leves the Lynn local agency in 1918. From 1920 to 1948 he was in the production end casualty companies—1920-27, Norwick Union and Phoenix Indemnity as spechagent in New England; 1927-29, Continental Casualty, same field; 1929-4 talked ostandard Accident as New England production manager. In 1948 he purchase the W. B. Hastings & Co. agency in Cambridge. The past year he was region qualify tice-president of the state association and he is currently president of the Cambridge association.

The election of Arthur B. Fair as me by Dr. 7.

bridge association.

The election of Arthur B. Fair as mathematical director brings back into more of the comparticipation in state affairs the chairman of N.A.I.A.'s legislative compart of the is a past state president, a member of Fair & Yeager, Natick, and has been in the business since 1914. payment

F. & D. to Pay 5% Bonus

Fidelity & Deposit directors have been crit authorized payment on Nov. 29 of place a dyear-end "incentive bonus" to all of there is ficers and employes.

year-end "incentive bonus" to all of there is ficers and employes.

Present employes who were on the discuss payroll Dec. 31, 1949, will be paid 55 reviewed of current annual salaries. An addition mentione bonus of 1% of present salaries als also bein will be paid to all officers and employe inc. for each full or partial calendar years of employment prior to Jan. 1, 1950, Insurance to a maximum of 5%, making the maximum total bonus payment to any office staff, or employe equal to 10% of current of the maximum of 5m, making the maximum total bonus payment to any office staff. forum o brought

had satis George J. Grix, whose appointment especially a resident manager at Buffalo for F of writing elity & Casualty

delity was announced at luncheon there last week, has been with F. & C. for 29 years. He started vears at Philadelphia as a special agent and in 1932 went to the home office in the bank service de-partment. In 1934 he was placed in charge of the survey department of the metropolitan

office, and in 1943 moved to Buffalo as superintendent ovidual house the casualty department. He was ap medical e pointed agency supervisor there in 1948 proved in

C. H. Hall, vice-president and set retary of American Surety, will takene whit part in a panel discussion on employ fome or suggestion plans at the annual meetin ion surg at Chicago of National Assn. of Sugge tion Systems.



George J. Grix

surg now oper ota, and Among

### TO ARBITRATE CLAIMS

BOSTON — An agreement for set-tlement of disputed claims by arbitratlement of disputed claims by arbitra-tion between member companies was adopted at its annual meeting here by Conference of Mutual Casualty Com-panies. This group of 41 is in effect the casualty conference of National Assn. of Mutual Insurance Companies, which met here this week in conjunc-tion with the annual gatherings of sev-eral other mutual company groups. The new arbitration agreement was effec-tive Oct. 31. tive Oct. 31.

tive Oct. 31.

The conference elected E. L. Sherard, Equity Mutual, Kansas City, president to succeed Fletcher B. Coleman, State Farm Mutual. John F. Hynes, Employers Mutual Casualty, is vice-president, and new members of the governing committee are Robert B. Goode, Allied Mutual Casualty, and Bert Woodhams, Citizens Mutual Casualty of Michigan. Paul E. Buehler, Beacon Mutual Indemnity, Columbus, O., was renamed secretary. secretary

meeting.

to auto subrogation claims where the amount is less than \$1,000. Claims will

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COAL OPERATORS CASUALTY COMPANY GREENSBURG, PA.

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### **ACCIDENT AND HEALTH**

### Conference Holds would be a Columbus Parley

The regional meeting of Health & Accident Underwriters Conference at Columbus last week drew a crowd of 42

Dalton a cretary Na Vomen, and r. presidenten's group

#### Use Coinsurance Idea

discussed proposed insurance legislation. The preside in is the most proposed insurance for catastrophic medical losses was led by an field may a fiel

forum on rural area cover. It was brought out that the companies have had satisfactory experience in this field, especially those that make a specialty falo for F

### New York Life in Bureau

Bureau of A.&H. Underwriters has elected New York Life to membership. The company recently entered the individual A.&H. field.

### New Reliance A. & H. Contracts

Reliance Life has expanded its accident and health activities and has brought out three new hospital contracts. They are a basic family hospital and surgical policy, a comprehensive family hospital and surgical, and individual hospital, surgical and accident evidual hospital, surgical and accident he was approved in all states in which Reliance how operates except California, Minnesota, and Missouri.

Int and see Among the new features are allowed, will takence which will provide nursing in the one employ home or at the hospital; multiple operation of Suggestian one operation if necessary as a result of the same accident or sickness, and increases in basic hospital benefits.

### Cornett Resigns as Loyal Protective V.-P.

W. B. Cornett, first vice-president of Loyal Protective Life, has announced his resignation from that company. He

Columbus last week drew a crowd of 42 ohio company men to hear discussions that centered around the idea of providing catastrophic medical coverage. At a recent meeting of Mr. Cornett's among the visitors were Superintendent will take an extended vacation before announcing his future plans. At a recent meeting of Mr. Cornett's associates, he was presented with a television set in honor of completing 25 years with the company. Mr. Cornett sometimes of the mentioned that the conference president, led off with a reduction of activities. He mentioned that the conference is a growing organization. C. O. Puley, managing director, of comen, and conference is a growing organization. C. O. Puley, managing director, discussed proposed insurance legislation. the agency department.

Mr. Cornett is a past president of International Assn. of Accident & Health Underwriters.

In the joint letters to the field force announcing his resignation, John M. Powell, president of Loyal Protective, said that the company has as yet had

Assn. Congress Speakers

Sales congress speakers at the annual meeting of California Assn. of A. & H. Managers at San Francisco Dec. 3 will include Charles E. Rea, general agent Provident Life & Accident at Toronto, who is treasurer of the International association, on "Human Relations"; Walter F. Schmitz, superintendent of A. & H. sales of Occidental Life, "Getting Down to Fundamentals"; Lyman C. Baldwin, vice-president Security Life & Accident, "The Set of the Sails," and Dr. Ralph E. Gampell, San Francisco, "A British Doctor Looks at Socialized Medicine." Speakers previously announced included Commissioner Downey of California, Wesley J. A. Jones, executive secretary International association, and J. Roger Deas, secretary to Governor Warren of California.

Warren of California.

### Continental Has A. & H. School

Continental Casualty has just conrluded another in its series of A. & H.

no negotiations regarding a successor to Mr. Cornett.

List Cal. A. & H. Managers

Assn. Congress Speakers

Sales congress speakers at the annual meeting of California Assn. of Sorred by their respective agencies sored by their respective agencies,

### A. & H. Men Hear Childress

Speaking before the Los Angeles A. & H. Managers Club, Henry H. Childress, associate counsel Pacific Mutual Life, characterized the California minimum benefits law as "complex, but not too restrictive for practical opera-tion."

### Minimum Benefits Not So Bad

D. C. MacEwen, superintendent of the A. & H. department of Occidental Life, told A. & H. Underwriters Assn. of Los Angeles at the October meeting that there is no real justification for the severe criticism that has been aimed at the California minimum benefits law. Mr. MacEwen related some things

learned by the industry committee which aided in preparing the rules and regulations just promulgated by Commissioner

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There are two grades of Safety Glass—one made of polished plate glass, the other of sheet

or ordinary window glass. Claim agents who are on their toes, when honoring broken glass

claims, always specify Safety Plate Glass and look for the L-O-F identify-

ing stencil on each light supplied. That assures the policyholder and your company of getting full value.



Maybe we're too fussy. That's for you to decide. But we're so "hipped" on keeping L·O·F Safety Glass 'way out in front for quality that we take time to make no less than 142 checkups and inspections during manufacture. No. 78, for example, is a polarized light examination of the freshly washed plastic laminate, for cleanliness and clarity.

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- 3. Better strength for safety 4. Better adhesion, glass to plastic

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Downey. He said that the committee during its meetings learned of practices that were unethical, tricky and reprehensible on the part of some companies. He also pointed out some of the complexities of the act.

### Cantwell to Direct Clinic

A clinic on "A.&H. Presentation," directed by Wallace Cantwell, vice-president in charge of A.&H. of American Hospital & Life, will highlight a luncheon meeting of A.&H. Underwriters Assn. of St. Louis Nov. 2.

### Wesley Jones at Seattle

Wesley J. A. Jones, executive secretary of the International association, addressed Seattle Assn. of A. & H. Underwriters on "How to Sell."

### McCue to Bankers National

Ramon McCue has been appointed manager of the A. & H. department of Bankers National Life. Mr. McCue, formerly with Ocean Accident, will be in charge of revamping policies and the premiaritional structure of the dethe organizational structure of the de-

partment which was inaugurated by the

company five years ago.

A graduate of University of Connecticut, Mr. McCue has been in insurance work about 11 years, excluding war

### Air France Insurance

Continental Casualty policies will be issued from a vending machine to be installed in the Air France departure station at New York. Policies will cover passengers booked on the French International Airline to any point on its net-work. Policies will be valid immediately upon departure and will remain in effect until destination. They will go into effect again when the passenger begins the return portion of his trip.

### Doctor Is Boston Speaker

At the October meeting of Boston A. & H. Assn. Dr. John F. Conlin, director of medical informaton and education for Massachusetts Medical Society, spoke on "The Voluntary Way" and against socialized medicine.

His address was tied in with the

His address was tied in with the

American Medical Assn. October advertising campaign for voluntary health in-

### Va. Groups Seek Rate Hikes

Virginia state corporation commission will hold a hearing at Roanoke Dec. 18 on petitions of Hospital Service Assn. of Roanoke and Surgical Care, Inc., for 20% rate increases for hospitalization and medical and surgical care.

### Names Criss Award Judges

President V. J. Skutt of Mutual Bene-

fit H. & A. has named 12 prominent men as judges for the Dr. C. C. Criss award, named for the company's founder, a \$10,000 prize given annually to the person the judges believe made the greatest contribution to public health and safety during the preceding year.

Promoting I-O-Utopia

James S Kemper, chairman of Lumbermens Mutual Casualty, spoke before the Boston Rotary Club on the dangerous philosophy of Washington social planners who are trying to promote an LO Livein I-O-Utopia.

### **NEWS OF THE CASUALTY COMPANIES**

### Wolverine Plans to Increase Capital and Change Name

Stockholders of Wolverine at a meeting at Lansing Nov. 24 will be asked to ratify purchase of the Central Tower building at Battle Creek as the company's new home office and to approve an increase in capital stock from \$200,000

an increase in capital stock from \$200,000 to \$1,500,000.

John H. Carton, president of Wolverine, in his letter to the stockholders, said the purchase price of Central Tower in Battle Creek is \$1,085,000. Another item on the stockholders' agenda is a consideration of changing the company name from Wolverine to Wolverine National

Mr. Carton said that the change in Mr. Carton said that the change in mame is "necessitated by our constant spread geographically and the fact that Wolverine is not familiar outside neighboring states."

### New Stock in Two Classes

The new stock would be issued in two classes. Present stock would be considered as "class A," with 20,000 shares outstanding. This would be increased to 50,000 by issuance of a stock dividend, and an additional 100,000 shares of "class B" stock would be issued, having a \$10 par value and bearing a cumulative 5% dividend. The added capital would minimize the need for reinsurance, Mr. Carton explained. The insurance, Mr. Carton explained. The company was forced to reinsure more than \$1 million of business last year because of capital limitations, and sub-

stantially the same amount is being re-insured this year.

The plan for bolstering the capital stock structure would allow present stockholders of common stock to main-tain their equity values, the letter states, and it is proposed eventually to redeem and it is proposed eventually to redeem the class B shares.

If the capital changes are approved, it will be necessary to make certain will be necessary to make certain changes in the company's profit-sharing plan for employes adopted in 1948. These changes would be subject to

Treasury department approval.

In the Tower building in Battle Creek,
Wolverine will occupy approximately
one-third of the space, renting out the ing now occupied at Lansing will be sold. remainder to other tenants. The build-

### Berthold Woodhams New Citizens Mutual Head

Berthold Woodhams has been elected president of Citizens Mutual Auto of Howell, Mich. He succeeds the late George J. Burke.

Mr. Woodhams joined Citizens in 1920 and has served as vice-president and as a director since 1932. He is a number of the board of governors of

and as a director since 1932. He is a member of the board of governors of the Michigan assigned risk plan, and is credited with originating the man to man and dad to daughter agreements which have received national recognition in the promotion of safety among routhful drivers. youthful drivers.

Joe Brady was elected executive vice-president; George J. Burke, Jr., vice-president, and Ross J. Robb to the board of directors.

### **Am. Farmers Mutual Moves** Base to Decatur, Ill.

American Farmers Mutual, the newest member of the Kemper fleet, is preparing to establish headquarters at Decatur, Ill., moving from Chicago. The building at 666 North Water street them has been completely remodeled to accommodate American Farmers. One unit of the company will be installed by Dec. 1 and the entire move will be completed by spring. L. J. Bennett vice-president and secretary, will be in charge at Decatur. Some of the Chicago staff will be transferred there and the remainder will be recruited locally. The business of American Farmers has been 100% reinsured in other Kemper companies but its 1950 premiums, the man made ass American Farmers Mutual, the new panies but its 1950 premiums, the management states, before reinsurance will exceed \$5 million.

### Central Surety Reports

Central Surety has reported on its results for the first nine months of this year showing assets at Sept. 30 of \$19. 539,085, which is an increase of \$153,366 over Dec. 31, 1949. Claim reserves at \$7,000,960 are down \$332,000; premium reserves of \$5,826,296 are up \$499,757 and net surplus is \$3,454,389 and higher by \$56,788.

Net premiums written (exclusive of special accounts) totaled \$8,294,638. which was an increase of \$50,285. Net earnings after income tax were \$340,446 and the increase in premium reserve equity was \$185,448 giving a total of

A quarterly dividend of 40 cents and an extra 40 cents has been declared payable Nov. 15 to stock of record Nov. 2.

### First Dividend Since 1933

Citizens Casualty of New York has declared a dividend of 10 cents per share payable Nov. 30 to stock of record Nov. 20. This is the first dividend that has been paid since 1933.

Multiple line underwriting calls for a review of your Reinsurance requirements.

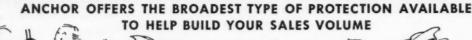
Our trained staff can be of valuable assistance in helping to work out your problems.



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CASUALTY COMPANY ST. PAUL 4, MINNESOTA



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November

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### CHANGES IN CASUALTY FIELD

### Bortz to Resume at Detroit for F. & D. Jan. 1

George L. Bortz, former resident vice-president of Fidelity & Deposit at De-troit who resigned in 1947 to become asiroit who resigned in 1947 to become associated with a local construction firm, will reassume his previous position with F&D. Jan. 1. Prior to his resignation, Mr. Bortz had been continuously with F&D. at Detroit for 22 years.

Baxter C. Brown, present resident vice-president at Detroit, will continue in charge of that office until the end of this year, at which time he will move to Baltimore.

### Roe Named President of Selected Risks Indemnity

Jesse G. Roe II has been elected president of Selected Risks Indemnity and Selected Risks Fire of Branchville, N. J., taking the place of J. B. R. Smith, who is now chairman. Frank P. Wefler was elected vice-president and secretary. John E. McCarrick and Douglas M. Roy have been made assistant vice-presidents. They were formerly assistant secretaries.

Mr. Roe has been with the organization since 1928. For the past 20 years he has been in charge of the claims department and his title recently has been executive vice-president.

Selected Risks Indemnity has declared a stock dividend of 5,000 shares payable to stock of record Nov. 15 on the basis of one share for each 11 shares held. This will increase the capital to \$600,000.

### Gosline Operating Head of Eureka Casualty

J. V. Gosline has been appointed vice-president in charge of operations of Eureka Casualty.

### Shift Bond Department Work Austin Succeeds Baldwin

St. Paul-Mercury Indemnity has rerect there of to actreet there of the rect there
in the death of George R. Wentz.
Secretary Charles L. Taylor, Jr., will
take over the management of the fidelity
and surety department. Secretary Ralph
B. Clark takes charge of bond underwriting and will serve as chief administraitive officer.

Mr. Taylor joined the company in
1940, was appointed assistant secretary
in 1942 and secretary in 1943. Mr.
Clark joined the company in 1931, was
made assistant secretary in 1932 and
secretary in 1946.

### National Casualty Changes

Del Oliver, who was formerly with Emmco and then with American States, has joined the head office staff of National Casualty. Warner Voss, who was superintendent of underwriting at Detroit for Massachusetts Bonding, has gone with National Casaulty as superintendent of underwriting.

### Watts to Pan-American

Lamar Watts has joined Pan-Amer-Lamar Watts has joined Pan-American Casualty as payroll auditor and representative. After graduating from business college, Mr. Watts was with the veterans administration. He was in the air force in world war II. and most recently was with Houston Fire & Casualty as payroll auditor and representative for three years.

Index Bureau Work Told

LOS ANGELES — Charles Green in the Los special agent in charge of the Los special agent in the San of Casualty as payroll auditor and representative for three years.

### Carbon Back to Peoria

but it is now being expanded. At one time Peoria was a full-fledged branch office and Mr. Carbon was the manager, but it was then merged into the Illinois-Iowa department at Chicago and Mr. Carbon was transferred to that city. He was given a farewell party by his Chicago associates and presented with a radio combination.

### Ames Succeeds Paul in Travelers N. Y. City Post

Travelers has appointed Leroy S. Ames as casualty and surety manager at the 42nd street office in New York City. He succeeds Norman M. Paul, who retired in August for health reasons.

Mr. Ames has been with Travelers since 1929 as a field assistant at New Haven and Rochester and assistant manager and manager at Richmond, Va. He became manager at Richmond Va. He in 1948.

Mr. Paul's retirement marked the end of almost 30 years with Travelers. He had been a special agent in Minneapolis, manager at Duluth and Minneapolis and since 1940 was manager at the 42nd street office.

### Graves to U.S. Casualty as Texas State Manager

Stanley E. Graves has been appointed state manager of Texas for United States Casualty. He succeeds the late Howard W. Boone.

Mr. Graves has been assistant vice-president of Traders & General.

### Miller Joins Home Indemnity

Edmund E. P. Miller has been appointed special agent for Home Indemnity at Kansas City. He is a graduate of the University of Kansas City school of law and formerly was with Aetna Casualty, Central Surety, Celina Mutual Casualty and Nelson-Smith general agency at Kansas City.

T. S. Austin has been named super-

T. S. Austin has been named super-intendent of the engineering department of Hartford Accident in the Pacific Coast department. He succeeds the late Howard C. Baldwin.
Mr. Austin, a graduate of Texas Agri-cultural & Mechanical College, was with Sinclair refineries until 1936 when he joined the engineering department of Hartford Accident at Houston, where he has since been.

### **ASSOCIATIONS**

### Lay Cornerstone of New Empire L. & A. Home Office

The cornerstone of the new home of-The cornerstone of the new home office of Empire Life & Accident at 28th and Meridian streets, Indianapolis, was laid by President James M. Drake. Some of the company records were sealed in the cornerstone.

The company now has \$90 million of business in force.

LOS ANGELES — Charles Griffin, special agent in charge of the Los Angeles office of Assn. of Casualty & Surety Companies, addressed Casualty Insurance Adjusters Assn. of Southern California on "The Work of the Index Bureau." He said it now has more than 8 million cards in its files, with 80,000 at Los Angeles.

Eugene Carbon has been transferred from Chicago by General Accident to take charge of the service office at Peoria. For some time the Peoria setup has been strictly a claims office,

### **SURETY**

### New Hoover Dam Contract

C. M. Elliott, Covina, Cal., and John C. Gist, Sacramento, jointly have been awarded the contract at \$1,777,241 for installation of turbines, transformers and appurtenances at the Hoover Dam power plant, Fidelity & Deposit for Elliott and Massachusetts Bonding for Gist have executed the bonds.

Morrison-Knudsen Co. was low bidder at \$1,194,489 for early completion and \$1,095,564 for late completion of facilities at the Elmendorf air force base, near Anchorage, Alaska. Fidelity & Deposit is on the bid bond. C. M. Elliott, Covina, Cal., and John

### N. Y. Nomingtors Are Selected

A nominating committee to select officers and executive committeemen was appointed by Surety Managers Assn. of

the city of New York at a meeting Monday, consisting of Thomas I. Hall, Employers Liability; Edward J. Gorman, Fidelity & Deposit and Harry D. Schmedes, New York Casualty. They will report in November with elections scheduled for December.

Scheduled for December.

Peter R. Cummings and Michael A. Verdrose, representing Springfield F. & M., were elected to membership.

The public relations committee reported that the Lions Club has been added to the civic and business organizations, to which talks on amplays 6 deliter. tions to which talks on employe fidelity coverage are given by members of the association's speakers bureau.

John Alsop has been elected a vice-president of Hartford County Mutual Fire. He has been with the company since 1946 in various capacities. He has been a member of the Connecticut legislature since 1947 and in the 1949 session was chairman of the insurance committee.

# 75<sup>TH</sup> ANNIVERSARY

1875-1950

# ACCIDENT & CASUALTY INSURANCE COMPANY

OF WINTERTHUR, SWITZERLAND

Accident, Health, Casualty, Fidelity & Surety

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HAROLD T. ROOS, Assistant Manager

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111 John Street, New York 7, N. Y.

OGDEN DAVIDSON

United States Manager

CHARLES A. BARKIE

ARTHUR F. McCARTHY

U.S. Assistant Managers

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### Eichhorn Chosen as President of Ohio Agents' Association

(CONTINUED FROM PAGE 1)

islation, this attitude may be a major issue during the coming legislative sea-

While these problems are serious and were so treated, there was an unmis-takable air of optimism and satisfaction. The Ohio association and the agents individually are in good shape. Membership is at an all-time high of 1,582,







the officers gave a good account of themselves, the Ohio insurance depart-ment is popular and respected and the agents were delighted over the election of past President James F. Van Vechten, Akron, as vice-president of National Assn. of Insurance Agents.

The only gloomy note at the meeting

was the serious illness of Mr. Bowen, the finance committee and has also been who suffered a recurrence of an ailment, shortly after the N.A.I.A. meeting at Chicago and was taken to Lutheran hospital in Cleveland last week. He also was compelled to miss last year's meet-ing at Dayton, when he was elected president, so he has the unfortunate distinction of never having been able to preside over an organization which he headed. The Ohio association sent him a gold watch and there were tele-grams of sympathy and good wishes from the officers and from many in-dividuals. In his absence, Messrs, Eich-horn and Gluck presided over the ses-

#### New President's Career

Mr. Eichhorn, the new president, was born in Mattoon, Ill., his family moving to Delaware, O., when he was young. After graduating from Ohio Wesleyan University in 1920, he went to work in Chicago for the Potter Palmer estate. He entered the insurance business two years later as a branch office agent for Travelers at Columbus, remaining there until 1940, when he and H. C. Hunt, who had also been with Travelers, formed the Eichorn-Hunt Co. at Columbus. He served the Ohio association as vice-president, trustee and chairman of

a director of the Columbus board. Due to Mr. Bowen's illness, Mr. Eichhorn carried much of the load of the presidency last year.

Mr. O'Connell, a native of Cincinnati,

started as a claim adjuster for Travelers there after graduating from what is now Chase College of Law in Cincinnati in 1927 and being admitted to the Ohio bar. In 1934 he became Cincinnati claims manager for General Accident and broke into the agency business a year later as manager of Eureka-Security agency. When this agency was merged with Thomas E. Wood, Inc., in 1947, Mr. O'Connell became vice-president of the parent agency. He is chairman of the N.A.I.A. middlewestern territorial conference, chairman of the National Association property insurance committee, chairman of the Ohio association legislative committee and is finishing his manager of Eureka-Security tive committee and is finishing his second term as president of Cincinnati Fire Underwriters Assn.

#### Crowded Legislative Session

The meeting went into high gear with a legislative session Monday afternoon, which packed the room to overflowing and created a ventilation problem. With H. K. Dawson, Cleveland, in the chair, and created a ventilation problem. With H. K. Dawson, Cleveland, in the chair, Mr. O'Connell gave his legislative committee report. He said the committee is agreed on the need for a broad financial responsibility law, telling the public about it, strengthening the drivers license law, requiring periodic inspection of motor vehicles and including a driver training course as a requirement for high school graduation. Mr. O'Connell added that extension of automobile medical payments coverage to include payments that extension of automobile medical payments coverage to include payments to injured pedestrians is scarcely a matter for the legislative committee, but it is obvious that this will have to be done sooner or later, or the state will do it for the insurance business.

R. H. Miller, Columbus, manager assigned risk automobile plan, reported on signed risk automobile plan, reported on the progress there, saying that between 8,000 and 10,000 risks are now insured in Ohio. He reviewed the requirements and procedures and asked agents to be careful to observe the procedure rigidly.

### Opposes DBL Schemes

Rep. R. L. Humphrey, Ashtabula, described the status of disability bene-fits proposals in Ohio, emphasizing that many segments are decidedly indifferent. The commission appointed by the legislature, he said, is expected to make a re-port within a few weeks and he added that in his opinion many members of the commission have done a good job of investigating. Organized labor at the top vestigating. Organized labor at the top level, he said, is committed to a monopolistic state fund. Many local labor leaders are indifferent or even hostile, feeling that such legislation would take away an item of collective bargaining but Rep. Humphrey said this could be changed by orders from the top. With one exception, chambers of commerce have opposed the whole idea. Insurance companies writing life and disability incompanies writing life and disability in-surance have been non-committal and representatives of the Ohio association

have attended all hearings, but have no charter, are not for it.

expressed themselves.

He said there is no question, in the opinion, that the Ohio unemploymen compensation law should be changed to include payments to disabled unemployed, but beyond that insurance manight mean the compensation and the compensation are the compensation of the compens compensation law should be changed to accent include payments to disabled unemployed, but beyond that insurance mand business men should think care fully. Much of the supposed sentiment for such legislation may be artificial, but fire cover Rep. Humphrey said it could be one of the most important developments in casualty lives of payments would not easily the state of the state o history. The size of payments would not and sell of be great—the average disability is two from a transverse and one week waiting period would cut the payment down to \$25—the but such a law would be a potent administrative and political tool. In New agencies a York, for example, the enactment of such legislation increased the staff of communities the interest of the industrial commission from 1,400 to

In answer to a direct question, Rep. was asked Humphrey said he thinks this proposal General M can be beaten, despite the determination of labor leaders to pass it sooner or later. He said the public is slowly was automobile ing up and he thinks insurance me this failed the public is slowly was automobile in the said the public is slowly was automobile in the said of the sai would make a mistake to surrender just has also t because the heat is on.

Caution on Multiple Line Laws

Caution on Multiple Line Laws

H. F. Van Doren, Akron, a formed state senator, read and praised the circular letter of Mr. O'Connell urging members to recognize legislative candidates who supported matters backed by the agents by making campaign contributions. The letter pointed out that legislative candidates are seldom memore means and they get very little from the top of their parties. Mr. Van Doren added that a contribution late in the campaign is often doubly appreciated when the demands of the home stretch run are often heavy. He also urged each agent to get acquainted with the legislators from his district. Almost without exception, he said, they are sincere men, wanting to do the best for their constituents. He added that a person should never urge a legislator to vote for or against a proposal without knowing exactly what is in it and without giving reasons for his stand. All too often, he said, the legislator will be urged to vote the other way—with reasons—so an intelligent appeal is esential.

Mr. Gray, making his first public tall hards and pressed and pres

reasons—so an intelligent appeal is esential.

Mr. Gray, making his first public talk before the Ohio association, urged a complete study of the possible effects of multiple line legislation before taking any stand. The first draft last year, he said, did not protect the position of agents, although this was modified after the Ohio association took a firm stand with the backing of the insurance department. Agents should find out, he said, whether an extension of underwriting powers will sacrifice any of their hard won gains. He pointed out that Western Underwriters Assn. and the National Board have not taken any position for or against multiple underwriting, nor has Ohio Assn. of Mutual Insurance Agents. On the other hand, the Farm Bureau companies are agitating for it and there is also support from Lumbermen's Mutual of Mansfield, Central Manufacturers Mutual, Motorists Lumbermen's Mutual of Mansfield, Central Manufacturers Mutual, Motorist Mutual and Motors of the General Motors group. Ohio Farmers, he said, a floater—ar

**USE YOUR OWN COMPANIES** WHEN POSSIBLE Otherwise Let Us Help You with Your Unusual or Difficult Problems-1889 1950 Lloyd's London R. B. Jones & Sons Inc. C. REID CLOON, Manager 175 W. JACKSON BLVD. CHICAGO 4, ILL.

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REINSURANCE CONSULTANTS AND INTERMEDIARIES

"WE ARE WHAT WE DO" CASUALTY . SURETY . FIRE . MARINE

Personalities at Ohio agents convention at Columbus this week: August Pryatel, deputy su-perintendent of inperintendent of in-surance; Charles H. Eichhorn, newly elected president of the association; Walter A. Robinson, superintendent of in-surance, and L. U. Jeffries, warden divi-sion of insurance.

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interested only in protecting its special charter, and Buckeye Union is decidedly not for it. Ohio Casualty is in favor of multiple line legislation, because that apploymen would enable it to merge Ohio Insurhanged to the parent company.

hanged to acce into the parent company.

As an example of what these powers ance me might mean, Mr. Gray pointed out that Motors is entered in Ohio as a fire comsentinem pany, writing only the four automobile ificial, but fire coverages. Under a multiple line be one of law, it could obtain authority to write ments in casualty lines and its agents could solicit would not and sell them. Mr. Gray also quoted ty is two firem a talk by Esmond Ewing, vice-president Travelers, to the effect that to \$25-totent adapted by large and fully integrated agencies and that large agencies in cities In New agencies and that large agencies in cities tment of are establishing branch offices in smaller staff of communities.

1,400 to In the question period which followed,

Paul Gingher, counsel Ohio association, proposal General Motors dealers as agents. He rmination said Superintendent Robinson has rejected applications for new licenses from why wak automobile dealers and an appeal from the failed. The insurance department has also taken action to revoke several licenses where there was evidence that they were used primarily to write insur-ance on automobiles controlled by virtue a former of the sale and has announced that if the cir. others will not be renewed for the same It the cr. of the swift in the self-week of the same it urging reason. A court action was brought contive canditesting this, and this action, by virtue was caded by a demurrer filed by the attorney-general, has become a test of the constitutionality of the anti-General Motors from men bill. Briefs have been filed and there is the free should be a decision soon. Mr. Gingher ittle from should be a decision soon, Mr. Gingher an Doren said that if General Motors loses this te in the round, there will almost certainly be an preciated appeal and also attempts in the legislates stretch ture to repeal this legislation.

### rged each Lively Farm Session

The meeting opened Monday morning the legist without cere men with a lively and well attended forum on farm insurance problems, with Past person to vote the control of the ray with forms and proposed changes, particular-graphy urging the adoption of a blanket form.

He said that the inland marine comublic talk urged a panies are now getting the cream of the effects of the taking year, he sition of the talk the proposed schedule form will provide the proposed schedule form

commercial insured.

Coinsurance was also debated, Mr. and the Wollam urging its adoption and Mr. Walinder claiming that it would be unneterwith workable and a needless hardship. He utual Insurance to value and there are hand inng insurance to value and there are better ways to do it with farms than co-insurance. Inland marine underwriters, ledd, Cendotorists with the said, have usually been successful in ketting adequate insurance, and the researal Moterists with the said, have usually been successful in ketting adequate insurance, and the researal Moterists with the research with

### Local Board Sessions Popular

Three local board sessions also drew acked audiences. Hoyt Whitney, Sunoury, was in charge of the meeting for ourds in smaller communities, at which members of the Delaware board staged in annual meeting. R. M. Bell, Spring-field, presided at the session for larger boards, at which R. M. Clark, Hamilton, showed the slide film on the bank and gent automobile insurance plan. Following these sessions, the two groups merged to hear G. F. Hacker, Fort Wayne, Ind., tell of the safety program of that city. R. W McClure, Columbus, was in charge of that session.

Ohio Fire Underwriters Assn. staged a enjoyable skit Monday night, with homas Nuckles, Hanover, Columbus,

acting as master of ceremonies. There were some musical acts, but the act which rang the bell was a scene in the office of Yokum's Yokel Insurance Agency of Dogpatch, O., built around the tribulations of Ohio insurance men

the tribulations of Ohio insurance men during the past year, particularly over the automobile insurance situation.

Charles Miller, Scottish Union, Columbus, played the role of Pappy Yokum, the agent; Virgil Keenan, National Union, Columbus, Mammy Yokum, his wife; A. C. Guy, manager Western Adjustment, Columbus, Daisy May, the agency secretary; Carl Nelson, London & Lancashire, Columbus, Li'l Abner, the agent's son, who had gone to a home agent's son, who had gone to a home office school and no longer believed in office school and no longer believed in early to bed and early to rise; Charles Lamb, Automobile of Hartford, Columbus, Eberneezer Hiram Jones, the insurance buyer, and Wade Wissler, automobile of Hartford, Cleveland, president of Utopia Ins. Co.

The eventual moral was that the customer is the court of last resort and agents and companies must work together for his good will. Before this was established, the principals went through

gether for his good will. Before this was established, the principals went through the gamut of troubles, with Pappy wondering what automobile insurance rate to charge Eberneezer, Daisy May poring through the mail to find the latest rate and being told she should wait for changes in the afternoon mail, Mammy suggesting until The NATIONAL UNDERWITTER reported later changes and Li'l Abner stumbling through the "Fire, Casualty & Surety Bulletins".

#### Presidential Report

Mr. Bowen's presidential report, which was read by Mr. Eichhorn, emphasized that the past year had been one of progress and harmonious relations with other insurance groups, Western Underwriters Assn. and Assn. of Casualty & Surety Companies particularly. He said that the major objectives of his administration had been improved public relations with companies, other agents ministration and been improved public relations with companies, other agents and the public, careful planning of the 1951 legislative program and a substantial increase in membership, all of which tial increase in membership, all of which had been achieved. He praised the election of James F. Van Vechten, Akron, to the vice-presidency of National Assn. of Insurance Agents, the winning of the Des Moines Attendance Cup by the Ohio association, the awarding of N.A.I.A. presidential citations to Mr. O'Connell and H. T. Minister, Columbus—out of 10 such awards—and the election of Mr. Gray to the chairmanship of the secretaries group of the National association. He also pointed out tional association. He also pointed out the acclaim which the Lima-Allen county board won for the excellent in-surance situation there, as revealed by

There are many and frightening prob-lems ahead, the report concluded, such as the challenge of a disability benefits monopoly, threat of a state automobile insurance monopoly, the threatened invasion of the field by fictitious groups, agitation of a state fund for public buildings, the revolutionary changes involved in multiple underwriting powers and the socialistic trend in government, but the agents have shown they have the abil-

ity and courage to meet them.

At the crowded dinner, Mr. O'Connell was awarded the Revere trophy, donated by the Cleveland Board, for the greatest and most outstanding service to the insurance business. Dr. W. R. Courtney, Nashville, delivered a vigorous defense of the American way of life and the new officers were sworn in by Superintendent Robinson.

The forum on farm writing, which was adjourned Monday for lack of time, was reconvened Tuesday noon, with Messrs. Dakin and Walinder on hand to answer questions. The consensus was overwhelmingly in favor of a blanket form, with no obligation on the part of the invested to expect the page of implements. the insured to report changes of implements or acquisition of new pieces.

The farm underwriting forum which adjourned Monday for lack of time, reconvened Tuesday noon. The principal business was a unanimous resolution in favor of blanket cover on mobile equip-

### Sidelights on Ohio Agents' Meeting

The unusual weather conditions which have prevailed this fall held out for the meeting of Ohio Assn. of Insurance Agents. A heavy fog Sunday night played havoc with driving and with plane connections and made it look as though a real turn was in store, but by Monday everything had cleared up and the only complaint was too much warmth. The heavy registration was a real drain on the Columbus hotels, not made easier by the city being a state capital a week before election, and there were some bad moments getting things organized. Eventually, however, everyone was taken care of and the meeting went off to everyone's satisfaction.

There was the usual heavy turnout of home office and western department company officials, with headquarters abundant and hospitality unstinted. Fidelity & Deposit repeated its popular feature of coffee, doughnuts and free local telephone service near the registration desk. John Gardner, assistant agency manager at the home office, made his first middle western trip since his appointment. E. K. Jamieson, resident vice-president at Cleveland, W. E. Shaw, manager at Cincinnati, and C. F. Hurwig, Cleveland manager, were also on hand.

hand.

Ohio Casualty was host for the younger agents luncheon Tuesday. On hand from the home office were Carl Weinrich, vice-president; W. J. Wys, secretary, and Howard Sloneker, Jr., assistant secretary, At the group's headquarters, ladies were presented with gardenias.

had their usual large headquarters, with P. S. Beebe, associate western manager, and William Birkemeyer, assistant western department manager, on hand from Chicago, as well as F. E. Bradenbaugh, Pittsburgh branch manager, R. B. Devore, Cincinnati branch manager, from the casualty company.

For the first time in many years, J. F. Schweer, secretary Cincinnati Fire Underwriters Assn., missed an Ohio agents meeting. He has been in the hospital at Cincinnati, but is reported much improved.

Corroon & Reynolds headquarters

Corroon & Reynolds headquarters were in charge of C. H. Bundow, executive special agent at Columbus.

were in charge of C. H. Bundow, executive special agent at Columbus.

James Merritt, who was assistant secretary of the Ohio association and secretary of the Columbus board until he became secretary of Ohio State Pharmacutical Assn. last spring, was on hand renewing old acquaintances. There were many expressions of regret at his leaving, but complete satisfaction with his replacements. J. C. Perin, Milford, O., a University of Cincinnati graduate who is completing his post-graduate work at Ohio State University, is now educational director of the Ohio association and Miss Becky A. Kindred is secretary of the Columbus board.

Miss Mary J. Colvin, secretary to T. M. Gray, executive secretary of the Ohio Association, is now an old hand at Ohio conventions and indispensable to their success.

North America was represented by

eria, ladies were presented with gar-two home office executives, R. S. Rob-hartford Fire and Hartford Accident

### COMPREHENSIVE AUTOMOBILE AND PERSONAL LIABILITY POLICY



\$10,000 paid to a child who was severely injured in an auto accident . . . \$6000 to a girl who was blinded by a dart thrown by a boy at a party . . . \$3000 to a boy who was hit by a shot from a friend's rifle. These are just a few of the liability claims paid out in recent weeks on behalf of policyholders who have the Comprehensive Personal and Automobile Policy.

Are YOUR clients protected under this fast-selling con-

tract, which combines automobile AND personal liability coverage in one broad 'occurrence" policy? For the policyholder, it's just like having MONEY IN THE BANK when a claim for damages comes up!



American Casualty Company

READING, PENNSYLVANIA

America, and F. A. Lewis, assistant secretary of the marine department, in addition to Walter Alexander, Cincinnati manager; R. O. Young, Cleveland manager, and Dwight Sleeper, Jr., casualty manager at Cleveland.

Secretary T. M. Gray has been adding "Sr." to his signature because his son, Theodore, (Jr.,) is now a candidate for state senator from Piqua. This is the district which Mr. Gray Sr., represented for several terms.

G. B. Mattson, secretary Fire Association, was on hand from the home office, assisted by George Coates, Cleveland, manager for northeastern Ohio; C. N. French, state agent, and R. M. Stroud, Cincinnati manager.

Wolverine was host at the ladies' luncheon Tuesday, at the Maramor. On hand from the home office were H. G. Eason and H. D. Moore, vice-presidents. R. W. Harcey, assistant superintendent of agents from the home office of Continental Casualty, assisted A. C. Herrmann, Columbus manager, in dispensing hospitality.

Past President Karl Dakin, Lebanon, was chairman of the nominating committee and T. W. Earls, Cincinnat, head of the resolutions committee.

There is no question about the popularity of Superintendent Hobinson with the agents. Every speaker paid him high tribute.

W. H. Caudill, vice-president in charge of surety and G. H. Garnier, agency

bute.
V. H. Caudill, vice-president in charge surety, and G. H. Garnier, agency e-president, represented the home of-of Manufacturers Casualty, assisted H. P. Gerharrt and V. L. Russ, Ohio te preparers.

### Want Bonds Continuous

WASHINGTON - District of Co-WASHINGTON — District of co-lumbia Assn, of Insurance Agents has been considering a proposal that in-surance brokers' bonds be authorized on a continuous basis, instead of ansurance brokers' bonds be authorized on a continuous basis, instead of annual, as at present. This would place brokers' bonds on the same basis as those of plumbers, electricians, etc., it is said. The association's legislative committee has the matter in charge. It has not yet been put up to Superintendent lordan. tendent Jordan.

### Applegate Makes Change

Frederick S. Applegate, who has been special agent in northern New Jersey for special agent in northern New Jersey for Indemnity of North America, has joined the Thoms, Merrill & Co. agency of Newark as underwriting manager. He became a C.P.C.U. in 1949 and is an instructor in the C.P.C.U. study courses at Newark extension division of Rutgers. Deane W. Merrill, partner in the agency, is also a C.P.C.U. and is president of the New Jersey C.P.C.U. chapter.

### Maas Speaks at Portland

Carol P. Maas, assistant manager Portland for American-Associated, poke on "Comprehensive Extended spoke on "Comprehensive Extended Coverage" at a luncheon meeting of Portland (Ore.) Assn. of Insurance

### Seek to Meet Competition in Mass.

(CONTINUED FROM PAGE 6)

opportunity to stop a fire before reaching the main part of the dwelling. This shortens the proximity to the outbuilding but does not increase the exposure hazard to the extent of a large house immediately adjacent to the outbuilding.

Enforcement of these exposu charges should be much easier than the present system. No company will insure farm outbuildings without the dwelling. In the few instances where additional In the few instances where additional insurance on dwelling alone or furniture were placed separately and written in violation, the fact would soon be learned by the one writing the farm line and could be handled in the same manner as stamping office criticisms now, with referral to the insurance commissioner for failure to correct and for flagrant or frequent violations. Also with the farm inspection blanks, suggested later, on file in the rating office gested later, on file in the rating office there would be an added check as the majority of farm risks come from certain districts and areas.

Additional credit should be given for protection in towns graded A to E. The present credits are not in line with the credits granted under minimum rates. Also they do not recognize the advance in the equipment and ability of fire departments. Where there was formerly only a hose wagon rural fire departments are now equipped with approved pumpers, carry much more hose and pumpers, carry much more hose and many of the firemen have taken courses in fire fighting. Also regional exchange of facilities and mutual aid assistance have materially improved the situation.

Credit for water holes installed in accordance with the soil conservation service requirements should be allowed; fire department service beyond the distances presently recognized for protection due to increased facilities and better road construction.

### More Credit for Rods

Additional credit should be allowed for lightning rods. Under present inspection and labelling requirement they are much more effective and statistics show that lightning is one of the main sources of farm losses.

There should be a heavy debit charge for such tile or metal chimneys as they constitute a serious fire hazard that could be corrected by the farm owner.

There should be a credit for a war-ranty for electric, gas or central heat-ing with a standard chimney. This would be applicable to poultry buildings, dairy barns and produce storage

buildings. A credit for approved heating would be better than a debit for other systems. Heating is only used seasonally or at certain periods and if a debit charge was neglected it would only be brought out at time of loss with resulting difficulties. Also the incentive a credit would influence the farmer

of a credit would influence the farmer to install proper heating.

This same credit could be allowed where there is no heat of any kind in the building. Proper use of the inspection blank would eliminate any misapplications of this fire heat rule.

Credit should be given for a warranty that there he no extrage of have run.

that there be no storage of hay or un-processed grain (intended to include cornstalks, rye, oats, etc. but not grain for feed in bags). This would also allow proper credit on outbuildings where storage was of non-hazardous items.

### Elimination of 3/4 Clause

The Three-Fourths Value Clause should be eliminated. In practice it has been much abused. Required by some companies as an underwriting prerequisite it has been put on indiscriminately with resulting trouble at time of loss. The clause requires an agent to be an appraiser and does not recognize changing values. While in certain instances it has been fairly used on superior risks with a low amount of insurance to give the assured the benefit of a lower rate, this same assured should benefit under the new rating system and be able to carry more adequate insur-ance to value thus giving the companies a larger premium volume.

#### Non-Combustible Roofs

Present credits should be continued for non-combustible roofs. Credit for type of construction should be allowed for brick, fieldstone, and approved ce-ment or cinder blocks. Any farm which complied with requirements outlined could be specifically rated. Construction requirements could be concrete or fire resistive floors in barns, clear space between outbuildings, superior type of construction, superior housekeeping, and hay storage away from cattle barn. Protection requirements, private protection (water tanks with pipelines, water holes or private water supply base, or private fire fighting equipment); substandard public protection, paved roads to farm buildings with available public equip-

This plan being available for any farm, it would be non-discriminatory but of its nature would be used chiefly

on the large, well-equipped farm which yields a premium of a size to enally specific rating.

The class rate for tobacco barns and sheds should be continued. Some provision should be made for including barns on home premises of farms which are now often classed as private or farm barns but are used exclusively for tobacco and storage of farm machinen and equipment but not hay or livested would be accomplished by

Cranberry Buildings used as a screen Cranberry Buildings used as a screen house during the season and for the mainder of the year for storage of screens and empty boxes should be given a special class rate similar to to bacco barns. The present flat rate published, which is about \$1.54 is out of the published, which is about \$1.54 is out of the published. line with the rate on a private unpre

No credit was suggested for fire extinguishers due to the difficulty defecking on the kind (freeze, non-freez checking on the kind (freeze, non-free and foam) required and the proper is charging requirements. Unoccupand should not be charged for. On man farms operated for a seasonal crop the farmer goes south for the winter an unoccupancy of dwelling creates in the farmer than the form of the dwelling creates and the farmer than the farmer of the dwelling creates and the farmer of the farm greater hazard than in any other dweling. Vacancy charges should be continued as a vacant farm is a distinct hazard.

#### Inspection Blank

An inspection blank should be on fi in the rating office for every farm, the blank to be refiled at least once ever three years (except on farms original written for five years when it would required on renewal). The blank show be standardized and simplified. It show contain a diagram of the buildings at accurate statement of distances betwee buildings. A brief description of ead building, sufficient to correctly determine the rate applicable, made. Any in formation portaining scaledy to under formation pertaining solely to under writing should be on a supplement blank if required by any company. Faure to file this inspection blank wou be treated the same as stamping officers. violation.

violation.

Inspection blanks would not be a quired on policies covering only obuildings subject to minimum class rates such as tobacco barns.

The foregoing plan establishes a system whereby the base rate would control the farms which constitute the average loss ratio on the entire farm class. The system of credits would cover to the system better than average farms which ha shown a better than average loss ral under the plan whereby farms have be selected by a prior inspection plan. If farmer can be taught the necessity fire prevention by the system of cred The agent has protection for his but ness by the fair rating of his farm of tomers. The companies receive a prejum enabling them to handle the but ness with a proper loss ratio.

The report also suggests unoccupant

be defined and permitted, and the and reinstatement clause be increas to \$250.

### Adjuster-Agent Rule Revoke

HARRISBURG - The Pennsylvan department has revoked a regulation which would have allowed fire and ca act as agents without taking an examination, "provided their duties were stricted to acts of an agent that wo be compatible with their duties as a

It was explained that "some confusion" had resulted after the original announcement last August and that licenses had been issued.

### Watchie in New Seattle Post

John Watchie has joined Kittinger Vatchie started in insurance at S Francisco with Home and later with Hartford Fire and Hartford A cident there. More recently, he is been with Groninger & Co., Seat general agency.



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### Mutual Rally Like Multi-Ring Circus

(CONTINUED FROM PAGE 2)

least five counties could come in by pay-ing \$100 for each \$1 million of liability. The windstorm companies face a tougher problem than 50 years ago be-cause of increased values exposed and some program of help that is financially sound, uniform and foolproof is needed, Mr. Stanton said.

There is considerable controversy over the proposal.

#### Would Promote Health Insurance

Insurance companies have not devoted their full capacities to developing and promoting health insurance, Louis H. Pink, chairman Associated Hospital Service of New York and former New York superintendent, told a joint meeting of the Alliance and Ad Sales Conference. One reason is that health covers have not offered as much volume or profit as the more conventional lines. He thinks that explains partly the big thinks that explains partly the big growth of non-profit plans such as Blue Cross.

He doubts there is anything insurers can learn from non-profit plans in the way of sales procedures or practices. Many plans have no sales force at all and in some states commissions are not even legal. It is the product itself that achieves mass acceptance. Community even legal. It is the product itself that achieves mass acceptance. Community control of the plans has helped build prestige. Salesmanship and merchandising, important as they are, are not important in the health insurance movement, he declared. Yet, he added, the competence of insurance in salesmanship is carefully that any that competence and

ompetence of insurance in salesmanship is excellent and that competence need only be applied to health insurance.

The big enemy of health protection on a service basis is inflation, and the increasing difficulty for insurance and volume to a provide a comprehensive. untary plans to provide comprehensive medical and hospital care on a sound actuarial basis will require all the re-sourcefulness, energy and initiative they

### Plan 200th Anniversary Celebration

One of the most interesting topics discussed at the Boston meeting of the mutuals was the plan now in the formative state to make a real celebration of the 200th anniversary of mutual insurance in 1952. No decisions were to be reached at Boston, but the idea received a lot of promotion. The effort there was to get the idea generally accepted.

Harry P. Cooper, Jr., Indianapolis, secretary of National Assn. of Mutual Insurance Companies, had a sec-One of the most interesting topics

panies, had a section in his annual report on the an-niversary. He said niversary. He said the association has a special commit-tee on it to cooperate with other mutual groups in planning the ob-servance. A joint planning committee has been form-ed and has preprepared a leaflet on the proposed ob-

servance plans.

If mutual insurance has a weakness, it lies in its lack of appreciation of its own strength, Guy C. Eaby, Lancaster County Mutual, president National Assn. of Mutual Insurance Companies, said in his address Monday evening. It has made its best progress when it acted on its own initiative. Independence on rates, forms, underwriting conditions, adjustments and investment policy has enabled this business to make a superior appeal to property owners. He urged mutual companies to live up to their obligations by wise and conservative policies. servance plans.

H. P. Cooper, Jr.

servative policies Commissioner Harrington greeted the gathering.

The Harry P. Cooper memorial award to the farm girl and boy doing the best job of inspection for fire safety went to Jane C. Jackson, Cortland. memorial

N. Y., and Melvin Thompson, Ravenna,

Quite a bit is made of this contest by the mutuals and much good accom-plished by it. More than 100,000 4H Club members participated the past

Commissioners Soule of Maine, Knowlton of New Hampshire and Deputy Cogswell of Massachusetts were introduced.

#### Coordinate Sales, Underwriting

A strong plea for sales and under-writing coordination in every insurance establishment was made by Herman L. Toser, general sales manager of Hard-ware Mutuals of Wisconsin at the same

joint meeting.

This calls for understanding of functional responsibility and problems, an appreciation of all functions within the business, he said; mutual respect for the other fellow's viewpoint; the feeling of belonging to a team; greater apprecia-tion of insurance as a science and greater know-how; improved public relations through community of thinking; controlled loss ratio to the extent of recognizing throughout the company sales ranks the need of a common understanding as to what constitutes risk selectiv-

Hary L. Gross, secretary Iowa Mutual Tornado, was being strongly backed for president of National Assn. of Mutual Insurance Companies as the Wednesday afternoon election approached. The death of E. J. Brookhart, Celina Mutual Casualty, the vice-president, broke up the normal pattern of succession.

### Allyn Praises Building Curbs

Regulation to slow up home building came none too early, Commissioner Allyn of Connecticut said in his address at the general session Monday. The defense effort comes first and he is much concerned about the disastrous effects on the economy, especially upon

effects on the economy, especially upon insurance, of uncontrolled inflation.

Inflation is attractive to many at the outset, wages increase, debts are paid, but in the end none benefits.

Tighter regulation of other credits, on automobiles for example, has drawn much criticism, especially from auto dealers. A lesser auto population than there might otherwise have been will influence insurers, but not as adversely as will inflation. He urged support of controls by all citizens.

### Work of A.S.A. Reviewed

The American Standards Assn. is a strong bullwark against governmental attempts to encroach on responsibilities and prerogatives of American industry and business, G. F. Hussey, managing director of the association, said at the casualty company session. The 150 standards approved by A.S.A. form the backbone of state and municipal regulation for the protection. by A.S.A. form the backbone of state and municipal regulation for the protec-tion of workers and the public. This work is important to insurance, he said, recalling the difficulty companies had with glass claims before standards for auto safety glass were established. Other standards of real importance to insurers are those for pressure cook-ers, electric ranges, water heaters and similar appliances. similar appliances.

### Traffic Safety Urged

In 1949 U. S. motor vehicles traveled 425 billion miles and will go much further in 1950, Rudolph F. King, Massachusetts registrar of motor vehi-cles, said in his discussion of traffic

Traffic accidents are just too bad, he said. The day will come when one state will say to the others: "Unless you inspect motor vehicles, we can't let them travel here where citizens are required to have inspections twice." required to have inspections twice a

They will do something with driver licensing based on real qualification. High school driver education is a must,

he said. Results of a recent study show that young drivers in Massachusetts that have had this education have as good driving experience as adults.

#### Hammond on Public Relations

One of the hardest points to get across to business men is that in public relations as in any other selling field it requires a given number of people to get a specified sized job done, George Hammond, executive vice-president Carl Byoir & Associates, New York, told the Mutual Ad-Sales Conference. F. F. Alexander, Liberty Mutual, pre-sided.

He urged mutual company public relations men to try for simpler lay language. Where the subject is complex as it often is in insurance, the thing to do is admit it. This will earn the sympathy of the lay reader, it is the kind of thing that makes a company human pany human.

The public relations man needs to be able to recognize a P.R. problem before it bites him, to interpret his own company to itself, and to get a realistic appraisal by his company officials of the tools he peeds. tools he needs.

There is a powerful need to provide a sound backdrop to insurance negotiation, he declared. Figures may not be enough, there are companies that refer as a matter of routing such things as statistical reports, briefs, etc., to P.R. men. More should be made of the fact that insurance is a common denominator with almost every other business.

### Mutual Fire Companies Elect (CONTINUED FROM PAGE 4)

Illinois Institute of Technology, cited the serious trend in college dormitory

fres in recent years.

College students have become the step-children of the safety movement, he said. Except in the larger state-supported universities, even minimum prestition for the protection of students. cautions for the protection of students are sadly and dangerously lacking. Many colleges are not aware of the hazards they are harboring. Some institutions cannot afford necessary help, vital as it may be. That is where the insurance companies must step in. He pointed to the hazardous, traditional-type dormi-tory, fraternity, and sorority building which was built to burn and burn quickly.

### Less Responsible Students

The mature G.I. student is passing from the college campuses and younger, less responsible students are taking his place. In many cases it is the first time the student has been away from home, and he is unaware of the routine safety precautions his parents have taken. precautions his parents have taken. There is the all-too-common practice of overloading electrical circuits by connecting desk lamps, floor lamps, electric clocks, radios, electric razors, and hot plates to a single outlet. Many college dormitories were built before the advent of the electrical age we know today, and their electrical systems cannot carry the their electrical systems cannot carry the load imposed on them.

Other inadequacies pointed out were lack of emergency exits, sub-standard watchman service, lack of automatic alarm systems, and lack of instruction in use of extinguishers.

He urged insurers to take the initiative in educating not only the students.

He urged insurers to take the initiative in educating not only the students, but college administrators as well, in minimum safety precautions, and called upon educators to mend their fences while they can. Now is the time to eliminate fire-traps. The overcrowding wave is generally past, and colleges face a period of decreased enrollment. It is now possible to eliminate older comnow possible to eliminate older, com-bustible buildings. Educational institu-tions should take steps now with an eye to a future peak wave brought on by the high war-time birth rate. Otherwise, he warned, it may be too late.

M. L. Landis, counsel Central Manufacturers Mutual, gave an illuminating talk on fire legal liability.



### This is no BULL!

From selling a policy to settling a claim . . Trinity Universal and Security National offer Agents and their clients the finest in insurance service.

Our Multiple-Line underwriting facilities include practically every form of insurance and bonding protection and our reputation for prompt, courteous and efficient service in supplying these needs is your assurance of complete satisfaction.

Experienced field representatives are always ready to give personal assistance on special or routine problems and our home office staff is geared to handle the details of every insurance requirement.



Pioneers in **Multiple-Line Underwriting** FIRE . CASUALTY . BONDS

Trinity Universal Insurance Company Security National Fire Insurance Co.

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# INSURANCE NEWS BY SECTIONS

### EASTERN STATES ACTIVITIES

### Stanley Cowman Head of Philadelphia Association

PHILADELPHIA - Stanley Cowman of Mather & Co. was elected pres-

ident of Insurance Agents & Brokers Assn. of Philadel-phia & Suburbs at its annual meeting, succeeding Edwin D. Peake of Peake Brothers. Mr. Cowman is a former president of Penn-sylvania Assn. of Insurance Agents. George T. Row-land of Martin & Rowland was re-

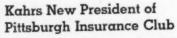
Rowland was re-elected a vice-pres-

eiected a vice-president, as was Frederick R. Drayton of Stokes, Packard &
Smith. M. Alan Bucks was renamed
secretary, and George J. Margraff of
Eliel & Loeb was reelected treasurer.

The group passed a resolution putting the association on record as deploring the association on record as deploring the association of many compound em-

Stanley Cowman

ing the association of record as depending the practice of many company employes soliciting insurance on their own time for their own profit.



Charles H. Kahrs was installed as president of Insurance Club of Pittsburgh at the 25th annual meeting last week, succeeding Edward D. Sweet of the Fred G. Schaefer general agency. Mr. Kahrs, who was vice-president last

Mr. Kahrs, who was vice-president last year, is succeeded in that position by Jet C. Parker, resident vice-president of American Automobile.

The new secretary is Horace P. Cator, manager of Fidelity & Deposit, and Mervin H. Hankey, manager of American Casualty, is the new treasurer.

Named to the board were Mr. Sweet, Frank V. Fodell, General Adjustment Bureau; Carl W. Fuller, Jr., U. S. F. & G.; Mr. Hankey, Carl J. Mulert, Justus Mulert Co.; Richard L. Stites, Edwards, George & Co.; Frank W. Wentworth, Wentworth agency, and A. M. Battistini, Hartford Accident.

There was a capacity crowd for the

There was a capacity crowd for the educational forum. This affair was arranged by James P. McMahon, F. & D., the retiring secretary.

the retiring secretary.

The speakers were W. Kaye Estep,
Pittsburgh manager of Middle Depart-Pittsburgh manager of Middle Benaric ment Rating Assn., who talked on "Fire Rates in Pennsylvania These Days"; S. W. Schellenger, agency superintendent of Buckeye Union, on "How to Customer Relations and Inent of Buckeye Union, on "How to Improve Customer Relations and In-crease Business"; William T. Murphy, general adjuster of G.A.B., on "The South Amboy Catastrophe," and Ed-ward J. Uhler, Fidelity & Casualty, who discussed "Three-D Insurance."

The 22 living past presidents of Pitts-burgh Insurance Club were honored at banquet, which was followed by

entertainment. The new officers were installed by Commissioner Leslie of Pennsylvania, assisted by Ralph H. Alexander, deputy commissioner and a past president of

### Hartford Club at Newark

The Hartford Club of New Jersey, a social organization of men from Hartford who are employed in the Newark area, has elected as president Henry R. Burr, special agent of Fidelity and Deposit. J. H. Nolan, manager Aetna Casualty, and E. E. Ehlers, casualty manager of Travelers, were named vicepresident and executive committee chairman, respectively. Elected to the execu-

tive committee were: J. F. Comerford, manager of Maryland Casualty; T. E. Smith, assistant casualty manager Travelers; C. L. Schlier, statistician New Jersey Compensation & Inspection Bureau, and W. J. Van Beynum, underwriter Travelers.

### Give Program Details for Conn. Convention

The program has been completed for the convention of Connecticut Assn. of Insurance Agents at Hotel Bond, Hart-ford, Nov. 14-15. The morning of Nov. 14 there will be a meeting of the directors to which all members are invited. In the afternoon, President Paul L. Avery and Executive Secretary W. H Wiley will report and John Neville, executive secretary of N.A.I.A., will appear. R. E. Farrer, training school director of National Fire, and Roger Kenney, insurance editor of "U. S. Investor," ney, insur will talk.

Then comes the cocktail party and banquet. The next morning W. M. Stuf-New England manager of Retail Credit, will give an address. Then there will be a forum to take up such questions as the proposed extended coverage No. 5, householders package policy, deductible fire insurance and, finally, a casualty panel with Larry Ackerman of University of Connecticut as moderator, members being Ted Brodeur, Hartford Accident; Bill Ellis of Aetna Casualty and L. V. Irvine of Travelers.

The wind-up will be an all-industry luncheon sponsored by Hartford Chamber of Commerce.

### MIDDLE WEST

### Speakers Announced for Indiana Agents Meeting

Speakers for the convention of Indiana Assn. of Insurance Agents at Indianapolis commencing Nov. 20 include Robert Anderson, marine special agent of Home; Paul L. Courtney of agent of Home; Paul L. Courtney of National Tax Equality Assn.; Howard T. Batman, attorney of Terre Haute, Ind., who will give an analysis of state fund insurance plans; J. C. O'Connor, executive editor of Fire, Casualty & Surety Bulletins; Fred C. Crowell, Jr. of the "Insurance Field"; Hoyt G. Whitney of Suphyry O. president of of the "Insurance Field"; Hoyt G. Whitney of Sunbury, O., president of Delaware County Assn. of Insurance Agents; J. A. McLean, assistant superintendent of the farm department of National Fire at Chicago; W. J. Robinson, Crum & Forster, Freeport, Ill., and Gaylord Boyer, special agent of America Fore.

The dinner will be Nov. 21. Indian-

America Fore.

The dinner will be Nov. 21. Indianapolis Assn. of Insurance Women will give a party for visiting ladies the afternoon of Nov. 21 at a tea and style

### New Mich. Clinic Series

A new series of insurance clinics is being launched in Michigan this week sponsored jointly by Michigan State col-lege and Michigan Assn. of Insurance

The schedule, with local chairmen, The schedule, with local chairmen, is:
Monroe, Oct. 31, R. Harry Smith; Pontiac, Nov. 1, J. L. VanWagoner; Jackson, Nov. 3, Louis P. Worden; Flint,
Nov. 7, E. Stanley Jones; Owosso, Nov.
9, Cecil O. Reynolds, and Battle Creek,
Nov. 14, N. J. Mason.

The Monroe and Owosso clinics are

on complete retail store coverage; those in Jackson and Flint on complete coverage for garages; that in Pontiac on interpretation of property and casualty covcomprehensive liability

### Nebraska C.P.C.U.s Organize

The Nebraska C.P.C.U. chapter was The Nebraska C.P.C.U. chapter was formed at Lincoln with these charter members: Richard W. Walker, Byron Reed & Co., Omaha; John F. Zimmer, Jr., secretary Capital Fire, Lincoln; Forrest Riddell, National Surety, Omaha; Herbert R. Walt, local agent Lincoln; Albert F. Blackburn and Charles A. Kahrhoff, Jr., Grand Island; Richard C. Allgood, executive secretary Nebraska Assn. of Insurance Agents, and Bruce E. Greenberg, Omaha. Nebraska Assn. of Insurance Agents, and Bruce E. Greenberg, Omaha. Mr. Walker was elected president,

erages and in Battle Creek on marine Mr. Blackburn vice-president, and Mr. Zimmer, secretary.

### Gregory at U. of Mo.

Bennett G. Gregory, executive secretary of Missouri Assn. of Insurance Agents and manager of Insurance Board Agents and manager of the classes on of St. Louis, addressed the classes on insurance at University of Missouri Columbia, on "The American Agency Columbia, on "The American Agency System." He also furnished the classes samples of the stock companies standard policy forms for fire, automobile, comprehensive and general liability insurance. He was introduced to the students by George W. Peak of Columbia Insur-

### PACIFIC COAST AND MOUNTAIN

### P. W. to Expand in Northwest

Providence Washington has made plans for expansion in the northwest. Charles E. Currey, Pacific Coast manager, following a visit of President Stephen W. Carey III from the home office, said that the company will estab-lish a northwest office of the Pacific lish a northwest omce of the Facility department having jurisdiction over Oregon, Washington, northern Idaho, Montana and Alaska. The new office will provide full underwriting, engineering the provided full underwriting. will provide full underwrit neering and claims facilities.

Within the next three months, G. F. Nickerson, assistant Pacific Coast manager, will transfer to Seattle as north-

west manager.

Mr. Nickerson's father and brother have both been in the insurance business in the northwest for many years. Mr. Nickerson was state agent in Oregon for Providence Washington from 1945 to 1949 when he was transferred to San Francisco as agency superintendent, and later in 1949 he was appointed assistant

### Randall to G. C. Newell Co.

Kenneth J. Randall is leaving Swett Crawford Nov. 15 to join George C. Newell Co., Seattle general agency, where he will have charge of the Lloyds casualty department.

and casualty department.
Following army service, Mr. Randall joined Yorkshire at San Francisco, becoming chief underwriter for the Pacific department. When Yorkshire's cific department. When Yorkshire's representation in California was taken over by Ray Rosendahl Co., Mr. Randall joined that firm in a similar capacity. He joined the Seattle office of Swett & Crawford in 1948.

George C. Newell, head of the agency, and Mr. Randall are on a trip to New York, calling on the head offices of Manhattan F. & M. and Yorkshire, which companies the general agency represents in Washington.

### Alumni Hear Sullivan

University of Washington Insurance Society held its first dinner Oct. 26 at Seattle. The speaker was Commissioner Sullivan, who discussed "The Role of Insurance Regulation."

### Utah Chairmen Named

J. Edwin Stein, president Utah Assn. Insurance Agents, has announced the chairmen of standing committees: Utah contact committee, Adrian W. Hatch, Logan; Arnold E. Burgener, Salt Lake City and Earl E. Jones, Ogden; New executive committee of Far West Conference, J. A. Ottenheimer, Salt Lake City; membership, William J. Holmes, Ogden; fire prevention, V. Grant Jacob-Provo; accident prevention, C. B. liams, Brigham City; education,

Fred S. Thomas, Salt Lake City; public relations, Adrian W. Hatch, Logan; agents' qualification, Arnold E. Bur-

Selection of chairmen of the commi tees on legislation and state insurance was deferred until after the election.

### Opens Northwest Service Office

A northwest service office has been established at Seattle by Coast Underwriters, Ltd., underwriting managers and surplus line brokers at Vancouver, B. C. Walter M. Ewing has been named special agent in charge.

Coast Underwriters are general agents in Washington and Oregon for Switzer-land General and Millers National.

### HTUO2

### List Speakers for Kentucky Meeting

Peyton B. Bethel, secretary of Kentucky Assn. of Insurance Agents, has announced the program for its annual meeting at the Brown Hotel, Louisville Nov. 13-14.

Governor Clements of Kentucky, wh is a Democratic candidate for U. S. Senator, will extend greetings and Commissioner Southall will speak on the obligation of his department under pub-

lic law 15.

Melvin J. Miller, president of the National association, will discuss its activities.

Claude D. Minor, president of Virginia Fire & Marine, who is a native of Kentucky, will speak on "Relationships," and Arthur M. O'Connell, president Cincinnati Fire Underwriters Assumitt review the report by made at the will review the report he made at the N.A.I.A. meeting as chairman of the property insurance committee.

Russell B. Gallagher, Philco insurance manager, speaking on "Choose Yow Partners," will discuss the insurance business and the agent, from the view

point of the buyer.

There will also be a forum on the new Kentucky insurance code conducted by Charles J. Baugh, assistant insurance commissioner, and James C. Crael atternous for the insurance depart. Creal, attorney for the insurance department, with ample time for questions from the floor.

Jack Musselman, manager Kentucky assigned risk office, will discuss the operation of the auto assigned risk plan

Hinton F. Longino, division manager, told Insurors of Chattanooga about the growth and work of Retail Credit Co.

San Antonio Insurance Exchange heard a report on the N.A.I.A. conven-tion at Chicago from Travis Bailey of Lytle Gosling & Co.

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# Scenes at Massachusetts Agents Annual

SPRINGFIELD MEETING LUMINARIES SHOWN AT SOCIAL SESSIONS





Franklin King, Jr., Northampton; G. A. Woodward, Hatfield, at the Springfield convention of the Massachusetts Agents.



setts association. and Carroll K. Steele, Gloucester.





J. T. Burke, secretary; David L. Vigue, Phoenix-London; W. A. Hebert, president Springfield F. & M.; E. R. Hurd, Jr., American Associated, and F. H. Witmeyer, president of Excelsior, at opening luncheon of Massachusetts Assn. of Insurance Agents, Springfield. Insert at far right is Robert Dexter, Abington. The official family named at the Springfield convention is headed by Graham Smith, who made an excellent record as president the past year. Frederick J. England of Cambridge is the new vice-president and Arthur B. Fair of Natick replaced Dana J. Lowd, Northampton, as state national director. The latter is N.A.I.A. executive committeeman. J. Theodore Burke, Boston, was renamed secretary-treasurer. The meeting attracted 650 persons, close to last year's record attendance.

THE Territory of Iowa, created by Congress in 1838, was three times the size of the state today, a vast sparsely settled frontier extending to the Canadian border on the north and embracing parts of the present states of Minnesota and the Dakotas. Robert Lucas, its first governor, saw the region for the first time when he arrived in Burlington by river steamboat from Ohio but he was no stranger to frontier life.

Born in 1781 in Shepherdstown, Virginia—now West Virginia—at the age of twenty Robert Lucas moved with his parents to the Northwest Territory where he began his career as a surveyor. After many years in various local and state offices he was twice elected governor of Ohio. He also acquired

Famous American Homes

# Home of the First Territorial Jovernor of Jowa





extensive military experience, serving in the War of 1812 and becoming major general in the militia and colonel in the U. S. Army.

Four years after the death of his first wife Lucas was returning on horseback from a session of the Ohio legislature when he spied a young woman approaching with a milk pail in either hand and jokingly remarked to his traveling companion that he would marry her if she leaped the fence which blocked her path. Instead of opening or letting down the bars, the young woman bounded over. That evening in the farmhouse where Lucas and his friend sought shelter they met the daughter of the household, Friendly Ashley Sumner, the young lady who had nimbly leaped the fence, and

who indeed later became his second wife.

Robert Lucas had a stormy term as governor of the Territory of Iowa for, besides the difficulties of administering a far from



Mantels above the seven fireplaces are black walnut

law-abiding region where gambling and in-

temperance were rampant, he was subjected to considerable sniping from political opponents. Nevertheless, he was a firm, upright administrator whose vigorous policies did much to establish order in the youthful territory. His most notable achievement was settling a boundary dispute with Missouri in Iowa's favor.

In 1844 Robert and Friendly

Lucas built a home on the outskirts of Iowa City which they named Plum Grove where he spent the rest of his life. Though retired from politics, he devoted his talents to furthering the temperance movement, developing the public school system and promoting railroads.

Appropriately, Plum Grove is now maintained as a state monument. In recent years it has been restored to its original condition by a number of interested Iowa citizens and through the efforts of the Society of Colonial Dames it has been furnished with articles of the proper period including some that graced the house in the time of Lucas.

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